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15 JANUARY 1987

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AGRICULTURAL RESEARCH ADVANCES APPLICATION OF BIOTECHNOLOGY

East Berlin FELDWIRTSCHAFT in German Vol 27 No 9, Sep 86 pp 418-423

[Article by Prof K. Kehr, Dr M. Dempwolf, and Dr M. Zinecker, GDR Academy of Agricultural Sciences: "Biotechnology on Agriculture"]

[Text] Even in the early stages of history, man availed himself of empirical biotechnology methods for the preparation and preservation of foodstuffs, in the production of luxury foods, and in the preservation of fodder. Bernal and others have described some of these particular applications: fermenting milk, fermenting cabbage to produce sauerkraut, producing cheese, tenderizing meat by hanging it up, baking bread, crushing and fermenting plant material to produce beer and wine, producing ethanol, tanning animal hides, and preserving fodder. Such methods, which have their roots in farming and tradition, led to separate industries and procedures involving large machines, an example of which is ensilage. The conventional farm practices of collecting, processing, and storing solid and liquid animal wastes and using these wastes in the soil are also biotechnological in nature. And these practices also derive from tradition, just as is the case for the production of microbiological soil inoculants to improve the fixation of atmospheric nitrogen in legume cultivation. Recent advances in the natural sciences, particularly the biosciences, have paved the way for substantial progress in traditional agricultural methods. As a result of these advances, new, more economical methods involving sophisticated technology and procedures are now becoming available to accelerate propagation, to improve propagation methods, and to increase the number of plants and animals useful to man. Thus for some time to come, agricultural research and farming itself will be concerned with new tasks and possibilities for intensifying agricultural production.

"Looking ahead to the year 2000, our party has mapped out an economic strategy with the goal of combining the merits of socialism even more effectively with the achievements of the scientific-technical revolution, which itself has entered a new stage of development," Erich Honecker stated in his report at the 11th SED Party Congress. The report, as well as most of the discussion papers and the directives for furthering the development of the GDR national economy that were established during the 11th SED Party Congress, call for agriculture and agricultural research to make first-class achievements in research and to develop top-flight

technologies. These can be attained only by exploiting the possibilities harbored in the key technologies.

There is certainly nothing new about using knowledge regarding the world of nature to enhance agricultural productivity. However, it has obviously been only in the last third of this century that the accumulation of knowledge about specific areas of biology, chemistry, engineering and the social sciences and their interaction has reached a level at which outstanding results in the complex knowledge regarding the development and alteration of living matter can be recorded. Nature and labor, according to Marx, are the two sources of social wealth. In this connection, it is becoming increasingly evident that greater use can be made of natural forces, and when these are combined with an equivalent amount of labor, expanded agricultural production becomes possible. Soil is the most important aspect of nature involved here.

The increasing utilization of natural forces to augment work productivity is contingent on advances in the natural sciences and technology. These advances, to be achieved via research efforts, will normally precede direct application in agriculture and will require that the appropriate means be made available in advance.

Agricultural science is a traditional discipline in the biosciences, which are responsible in a basic way for satisfying the needs of mankind and social progress. The biological sciences have entered a phase of development in which the experimental and theoretical advances made in unravelling the elementary structures and processes of living matter, of the phenomenon of life, and the unparalleled possibilities to intervene at will in these processes are revolutionizing productivity in agrarian work. It is not only the traditionally applied biosciences that are involved here, such as agricultural and biomedical sciences, but also new areas and branches of applied biology, particularly biotechnology in the broadest sense of the term. The primary target areas of biological research and biotechnology, as far as application is concerned, are the protection of man's health, animal and plant production, microbiological and biochemical production, protection and structuring of the environment, and specific areas and branches of the processing industry.

The expansion of knowledge in the biological sciences (physical and chemical procedures for separating and characterizing substances for the chemical synthesis of bioorganic compounds, particularly proteins and nucleic acids; procedures for the isolation and analysis of genes, and for the transfer of genes to microorganisms as well as plant and animal cells; for culturing plant and animal cells and tissues in order to obtain new biological products; for designing new procedures for manipulating fertilization processes and early stages of embryonic development) has been accompanied by the development of knowledge and know-how in the areas of system and process engineering. Thus, we can speak of a new branch of science rooted in biology and engineering sciences that has evolved in recent decades.

What Is Biotechnology?

Biotechnology--as this branch of science is called--is now defined as the utilization of biological systems in engineering procedures and in the production of industrial and agricultural materials. In this regard, the history of microbial fermentation processes, such as, ensilage, and the preparation of foodstuffs and luxury foods, as previously mentioned, can be traced back thousands of years, while the retting of manure, for example, was developed later. A more recent innovation has been the use of microbes to produce enzymes, antibiotics, vaccines and other bioorganic substances. Some current challenges are:

- to discover new possibilities and production conditions in order to utilize the nature factor more productively,
- to ascertain more precisely all "free-of-charge" services that accompany the nature factor and to use these whenever possible on a large-scale basis to reduce the expenditure of resources in agriculture, and
- to minimize the effect of negative factors and influences.

The primary services offered "free of charge" by nature are

- the capacity of the soil, in combination with labor and useful agricultural plants, to increase yields further;
- the ability of useful animals and plants as well as microbial populations to make and transform substances by means of biological processes
- solar energy, natural precipitation, climatic factors and natural forces.

Today, the implementation of these "free" services is always and to an increasing extent linked with the expenditure of societal labor--primarily research, development and new activities, transition efforts, process maintenance, and professional management activities in agriculture.

I.A. Ovcinnikov, the first vice president of the USSR Academy of Sciences, includes biotechnology among the basic scientific-technical developments that are playing a significant role in the development of a new level of economic productivity and effectivity. Biotechnology has been and is being made possible by decisive breakthroughs in molecular and cell biology, biochemistry, microbiology, scientific construction of instruments, and process engineering, just to name the most important disciplines of science involved.

Enthusiasm for innovation as well as the development of investments are heavily influenced by the extent to which newly developed procedures have been tested and how well they perform, by compatibility with existing production structures and operations, by the convertibility and cumulative power of industry and agriculture, and by prospects for effectiveness. This also requires that new paths be pursued on a contractual basis in the cooperation between research and practice.

The complex program for scientific-technical progress by the year 2000 drawn up by the Council for Mutual Economic Aid entails accelerated development of biotechnology for the member countries, with the primary objective

being more economical use in agriculture of biological resources that can be regenerated. This cooperation has already been and is being formulated on a contractual basis. Also, the joint collaboration on tasks and the implementation of division of labor are reducing the time required to make advances in agricultural research and to convert these advances into better yields in plant and animal production.

The most important of our efforts in agriculture are directed at ensuring food supplies for the population and agricultural raw materials for industry. Thus, the main areas of concern for biotechnology in the economy of agricultural, forest and food production are as follows:

Biotechnology in Plant Production

The most important basic efforts in developing and utilizing biotechnical procedures and methods are being made in the following areas:

- the use of cell and protoplast culturing methods for in vitro selection; expansion of the basic genetic material by inducing mutations in vitro; exploitation of somaclonal variation and hybridization in higher plants by fusing protoplasts and culturing embryos
- the continued development and application of methods for culturing organs and meristem for cultivation and propagation procedures in order to accelerate the cultivation and propagation of genetically identical plant material, including forest plants,
- the use of enzymes and immunological techniques to diagnose and fight plant diseases
- solutions for increased fixation of atmospheric nitrogen by using rhizobia and microbial phosphate transport, as well as by creating nitrogen-fixing microorganisms altered by gene engineering,
- discovery of more effective metabolic processes of organic material and of nutrients in the soil, as well as the use of active substances for adapting plants to drought and for fighting pathogens in the soil.

The most important possible applications with in vitro culture are to be seen in the following areas:

- genetically identical reproduction of valuable mixed-allele (heterozygous) single plants
- accelerated reproduction of cultivation material,
- creation and maintenance of lineages for hybrid cultivation,
- elimination of viruses from individual plants and varieties and keeping these plants and varieties healthy, particularly in the case of vegetatively propagated species
- preservation and propagation of species and genus hybrids that do not cross-fertilize
- creation of homozygous cultivation material via anther and embryo culture,
- maintaining a reservoir of specific kinds of culture plants
- production of "cybrid" plants by means of protoplast fusion
- selection under in vitro conditions at the cellular level.

All in vitro culture methods revolve around the concept of culturing organs, tissues and cells--or even just tissues (sterile cultures in glass, derived from the Latin word "vitrium [glass]). The objective is to grow various plant parts under defined sterile conditions. The in vitro procedures are defined more precisely depending on the plant part used, for example, organ culturing is when plant organs and blooms are used. Likewise, the growth of cells, anthers, pollen or embryos is defined as cell, anther, pollen or embryo culture. Meristem culture (meristem is formative tissue) is by and large the culture of shoot tips. The growth of plant cells under artificial conditions is based on the principle of inducing them--similarly to a fertilized egg cell--to form an entire plant, because, in fact, each cell contains the genetic information of the entire organism. Research in this area has been underway for some 40 years in a number of countries. Besides the standard plants used in such studies (tobacco, carrots and petunias), more and more other species and genera have been included in research.

In Vitro Culture

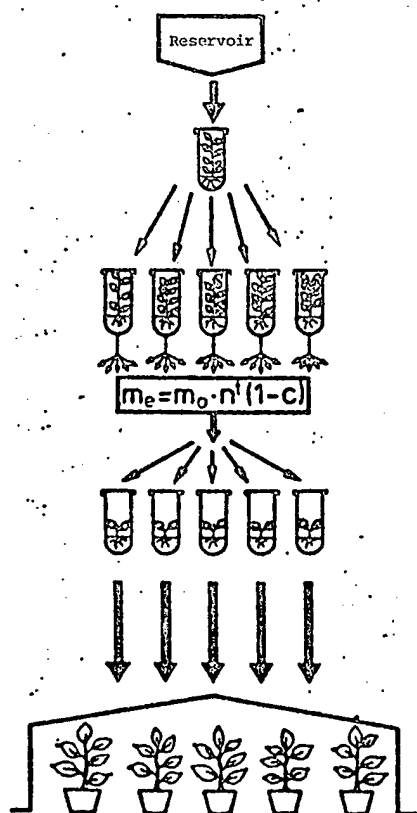
The use of in vitro culture requires specially equipped laboratories in which the smallest tissue parts from a wide variety of organs of the source plants can be located, isolated and sterilized. Many different kinds of plant parts can be used for this purpose. The sterile explanted material is placed on a liquid or solid synthetic culture medium that must contain all important nutrients and enzymes for growth and formation of the callus (undifferentiated tissue). Individual plants and the various organs, including their state of development, vary widely in their suitability for in vitro culture. Also, the requirements for the nutrient medium differ from plant to plant. If the explanted material has exhibited good growth, it can be induced to differentiate into sprouts and roots by altering the culture medium, or it is divided and cultured further. Further culturing, as has already been the case for tissue growth, is carried out in closed vessels stored in an environmental chamber with controlled temperature and lighting. Once the sprouts or roots have developed to a large enough size in the culture vessel, the new plants are cultivated further under sterile conditions until they are sturdy and have formed a good root system. Therefore, the transfer of the plants to unsterile conditions is a critical phase.

Before the plants are transferred to the final location, their durability is first enhanced by keeping them in an interim greenhouse in which the temperature, light and humidity conditions do not differ substantially from those in the sterile culture. The practical use of propagation under sterile conditions primarily for growing plants and in horticulture started approximately 20 years ago and is increasing. Here are some examples of the propagation rates so far attained in the GDR:

| | |
|------------------|----------------------|
| Cauliflower | 1: 1,000 in 5 months |
| Head Cabbage | 1: 5,000 in 10 weeks |
| Brussels Sprouts | 1: 2,000 in 3 weeks |
| Carrots | 1: 400 in 4 months |

| | |
|--------------------|---------------------------------|
| Onions | 1: 200 in 8 weeks |
| Sugar Beets | 1: 500 in 6 months |
| Potatoes | 1: 10,000 in 3 months |
| Rye, Wheat, Barley | 1: 2,500 in 6 to 7 months |
| Strawberries | 1: 20,000 in 6 months |
| Pomes and Drupes | 1: 1,000 to 1:5,000 in 6 months |
| Raspberries | 1: 1,000 in 6 months |

Figure 1: In vitro mass propagation (author will supply more detailed information upon request)



m_e = expected number of plants

m_o - no. of initial cuttings

n = poss. cuttings/plant

t - transfer sequences

$(1-c)$ = correction factor

When compared with the conventional natural and artificial propagation procedures (for example, cloning and by using cuttings), propagation under sterile conditions therefore produces enormous rates of increase (for instance, from 1:10 to 1:20,000 in the case of strawberries).

The results of the Quedlinburg Institute for Propagation Research provide a good example: By the end of 1985, 90,000 cauliflower plants, 65,000 brussels sprouts plants and 30,000 white cabbage plants were produced with propagation under sterile conditions and integrated into the cultivation process. The "Rike" (white cabbage, registered 1983), "Baltikol" (white cabbage, 1984), and "Karat" (brussels sprouts, 1984) hybrids are

the first varieties developed in this manner in the GDR. A number of other plants propagated under sterile conditions--sugar beets, potatoes, rye and barley--are also being incorporated into the cultivation process.

One of the first applications of in vitro culture is the elimination of viruses in species and varieties propagated vegetatively. In the GDR, this application is used widely with strawberries, fruit trees, potatoes, and many species of ornamental plants. Many LPG's, GPG's [horticultural producer cooperatives] and VEG's [state farms] have already set up their own tissue culture laboratories for this purpose. One example is the Thomas Muentzer Plant Production LPG in Muehlhausen.

Significant economic advantages are possible with this procedure. Several examples are:

- rapid supply of healthy and productive clones and varieties to production (for example, 100,000 strawberry plants in 1985 and 500,000 in 1986);
- continuous supply of large quantities of healthy plant stock of the highest cultivation levels that is available for all plant growth cycles;
- increase of yields with virus-tested plant material.

Today, research is being concentrated on anther (stamen) culture in particular. Anthers contain the grains of pollen which, in contrast to the diploid cells of the body, possess only half the chromosomes (haploid). If haploid cells from anthers are induced to divide (which results in growth of the callus), haploid plants are produced after the callus differentiates. These plants are sterile. If colchicine, a poison from the meadow saffron, is applied, the haploid chromosome set is "normalized" again; i.e., each chromosome is subsequently present in duplicate. In the event of self-fertilization, all offspring are identical with the parent. The result is a homozygous plant. New varieties of such plants can be developed rapidly without extensive selection. Currently, however, anther culture still cannot be reproduced reliably with most plant species, particularly in the case of species of grains. The first haploid plants from anthers were obtained in the mid-1950's. Nevertheless, it is already possible to raise varieties of rice and tobacco by using anther culture.

Protoplast Culture

Research in the area of protoplast culture has been increasing in recent years. Grown in a liquid nutrient medium, the individual cells of a callus culture divide as a result of the addition of enzymes and constant movement, and form a cell suspension. If other enzymes are added, the cell wall is dissolved, thus yielding cells without cell walls (exposed protoplasts). Protoplasts from different plants can now be cultured together. They can be fused by shifting the electric potential in the nutrient medium. The protoplasts combine the genetic information of various species or genera during vegetative growth. If protoplasts fused in this manner can now be induced to form a cell wall and then to undergo

cell division and differentiate, the result plants are "cybrids," which are hybrids produced without sexual reproduction.

It was around 1970 that it first became possible to regenerate plants from protoplasts, and the reproducible fusion of protoplasts was first achieved in 1973. These methods were subsequently used to produce a number of hybrid species and genera, e.g., between tomatoes and potatoes as well as between beta beets and spinach.

Experiments with protoplasts show that genes can be transferred from one cell to another by means of gene technology. If genes and the remaining genetic information were to be transferred to new cells during cell division and if these genes were to be induced to become active (gene expression), then these cells would produce metabolic products which they could not produce before. If entire plants were to be regenerated from these cells, the plants would have to possess new characteristics that differed from those previously known for the corresponding species of plant. Numerous research groups throughout the world are working on such problems as the transfer of resistant genes from genes for fixing atmospheric nitrogen in grains or for improving protein quality in barley. But tissue of higher plants can also be cultured with the goal of producing valuable plant chemical compounds--in which case chemical and biotechnological procedures are combined.

Biotechnological Methods for Diagnosing and Fighting Plant Diseases

The importance of biotechnological methods for diagnosing and fighting plant diseases is increasing. The Aschersleben Institute for Phytopathology developed a highly sensitive and expedient serological method of detecting potato viruses and bacteris (ELISA), and in close cooperation with the Gransebieth Central Test Station of the VVB [association of state enterprises], it was successful in testing seed and plant stock. In addition to the standard and microliter ELISA, a miniaturized and thus more cost-effective variant of the test was developed in cooperation with other institutions in the GDR, one of which is the VEB Carl Zeiss of Jena. In GDR potato cultivation, the test procedure makes it possible to dispense with the eye-cutting test, thus significantly improving efficiency in controlling plant stock.

This procedure was first used in the test program of the Gransebieth Central Test Station in autumn 1984, and its progressive integration is continuing. A particularly important economic aspect is that ELISA makes possible the rapid diagnosis not only of potato viruses but also of the two most important bacterial causes of potato disease (*Erwinia carotovora* and *Corynebacterium sepedonicum*). The test has resulted in a savings of about three million marks per year. A DNA probe test for detecting viral nucleic acids was developed as a gene engineering method at the Aschersleben Institute for Phytopathology. This test procedure further reduces the time required to diagnose viruses, increases the level of diagnosis reliability, and reduces the amount of space required to raise plants in greenhouses and hothouses.

Rhizobium Inoculants

Another result of biotechnology research of significant practical use is the development of new, more effective rhizobium inoculants for symbiotic fixation of atmospheric nitrogen in legumes, an accomplishment of the Muencheberg Research Center for Soil Fertility. Inoculants were applied at D-, Loe-, and V-locations during field trials and in production experiments between 1981 and 1985 with alfalfa, red clover, field peas. The result was a guaranteed increase in dry measure yeilds. In 1986, 50,000 hectares have already been inoculated.

Biotechnology in Animal Husbandry

The use of biotechnology to manipulate reproduction has already brought about an improvement in animal husbandry methodology. An example of such success is seen in the application of biotechnology to large groups of animals in hog production. Here it has been possible to attain, on a systematic basis, the desired results in controlling the reproductive processes of sows and to create reproduction cycles that are suitable technologically and biologically. This is having a sustained effect on the utilization of basic funds, increased productivity in raising pigs, and more economical organization of labor. Effective bioengineering procedures are among the basic requirements for the effective application of gene methodology to embryos and cells in animal breeding and reproduction. Methodology for breeding and reproduction is becoming increasingly intertwined with the utilization of the basic biotechnology techniques in animal production. For example, the basic biological principles in mammal ovum maturation and fertili ation are being worked out. The objective is to attain partial solutions with short- and medium-range applicability that can be implemented in:

- embryo transfer,
- gene transfer,
- the improvement of artificial insemination,
- the stabilization and enhancement of reproductive capacities.
- the continued refinement of currently existing bioengineering methods in reproduction.

This objective also includes taking advantage of these solutions by integrating them into currently existing methods, as well as those that are now being made available and will be developed in the future. On a longer range basis, i.e., in the years after 1990, efforts in fertilization biology will be concentrated on creating complex technology for manipulating ovum maturation and fertilization in vitro. The objective here is to create even more effective possible ways of using cell and gene engineering methods in breeding and reproduction. Basic technology techniques such as gene engineering and immunology are being used in animal breeding in an effort to determine selection criteria or possible ways of directly

influencing the genome and heredity. In addition to research efforts to determine possible applications of restrictive length polymorphs as selection criteria for economically relevant features, another area of primary emphasis is in the analysis and discovery of possible ways of utilizing basic biotechnology techniques to influence sex-determining characteristics.

Conclusions

With respect to agriculture, the conclusion can be drawn that the basic techniques of biotechnology and the advances in molecular biology in the creation of higher-yielding varieties and more productive species of animals are to be advantageously integrated into the conventional methods of combination and hybrid breeding. Therefore, the conventional methods of combination and hybrid breeding will maintain their relevance in the long term by incorporating the new techniques on a cellular, molecular-biological and biochemical basis. The utilization of basic techniques in the breeding and reproduction process is linked with significant and specific economic accomplishments and places new and greater requirements on the qualification of specialists and on the organization and management of the processes.

The complete scope of biotechnologically relevant efforts currently underway in the production of farm, forest and food products is far more diverse than can be covered in this brief paper.

It is not possible for our country to be a main participant in all areas of growth in biotechnology. Therefore, on an objective basis, international cooperation must reflect a division of labor. As was emphasized at the ninth meeting of the Central Committee of the SED, close scientific cooperation with the Soviet Union and the other socialist countries provides good opportunities for substantially increasing speed in research and in the utilization of biotechnological methods.

Biotechnology is concerned with the technical application and optimization of biological processes, and it is certain that new directions in development that were hardly believed possible in the early 70's will become available to biotechnology by the turn of the century--and not only with gene technology. A relevant factor in this regard is the early recognition of promising research problems and achievements that will advance knowledge and the applicability of that knowledge; that is, problems and achievements which can be expected to spur innovation. Agriculture research is producing new useful plants, animals for breeding and other purposes, procedures, test methods, veterinary drugs, pesticides, and production control systems, including method and production steps that are finding practical applications. These new advances will ultimately be mastered and utilized for their benefits by cooperative farmers and agricultural laborers. The knowledge and practical know-how required to accomplish this will be imparted by training programs in user enterprises, by conducting user seminars, by expanding the curriculum at continuing education institutions, as well as by expanding training for skilled laborers and programs at technical colleges and universities.

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FEATURES OF AGRICULTURAL REGULATORS DESCRIBED

Budapest FIGYELO (Supplement) in Hungarian 20 Nov 86 p 12

[Article by Dr Rezso Kostyal: "Agricultural Regulators"]

[Text] The 1987 production conditions for the foodstuffs economy will be more difficult in many respects than what was presumed in the Seventh 5-Year Plan. It will be true next year also that production surpluses--if any--will go in their entirety to the external market where--because of the supply market for foodstuffs which has developed--we can continue to count on tensions and price losses. The consequences of the drought which affected agriculture this year will appear in 1987 in significant part. This will bring extra costs and an export goods base smaller than customary, especially in crop production.

The price and financial regulation for 1987 strives basically--within the more difficult circumstances mentioned--to produce in an ever better way the production conditions for the foodstuffs economy taken into account in the medium term plan and to strengthen the process of efficiency improvement.

Price Changes

Going beyond the purchasing price increases already being implemented this year within agriculture there will be further steps to resolve the tensions which have developed in animal husbandry, to improve material interest and to encourage quality production. This means on the one hand the increase, as of 1 January 1987, in the state purchasing price for slaughter hogs, slaughter beef, milk, slaughter chickens and wool and on the other hand the increase to 50 percent of state support for renovation and economical use of existing buildings and for expanding modern machine and technology investments. The increase in purchasing prices includes, in the hog branch, the introduction of a breed use fee and encouraging the development of so-called ternary free stock. These measures will provide a good foundation and possibilities for simultaneously changing breeding and raising conditions in animal husbandry, improving the animal health situation and making progress in the biological propagation indexes. The largest reserves are in selecting proper breeds, in fodder management and in work organization on the farms. In the interest of having the farms become acquainted with next year's conditions as soon as possible and starting to solve these tasks there was a government decision in June to announce the price changes in detail and this was done.

There was no authoritative purchasing price increase in crop production but in the interest of maintaining the strength of the soil and in some places preventing deterioration coordinated measures were taken within the framework of which the agricultural acquisition price for artificial fertilizer will be reduced by an average of 8 percent and that for carbamide artificial fertilizer by 30 percent.

In our country the size of producing areas with a strongly or moderately acidic pH value exceeds one million hectares. Stopping the acidification of the soil is served by the measure which provides 500 forints state support per ton in the event of spreading lime or lime type materials used for improvement.

Cost Increases

The centrally decided upon acquisition price and fee changes for materials and tools used in agriculture will increase the cost of the basic activity of agricultural production. Among these the acquisition price of crop protection materials will increase by an average of 6-7 percent, this year's increase in freight fees will cause a cost increase for shipments of around 9 percent in agriculture and the increase in fodder additives will be 3-4 percent. Raising the truck contribution will increase the expenditures for basic activity by about 350 million forints.

In addition next year's costs for agricultural production will be increased by all those increases in producers prices for industrial products the agricultural acquisition price for which falls in the free price category. For example, one can count next year on a 5-6 percent price increase for parts and a 3-4 percent increase for consumables.

The purchasing price increase for the above mentioned animals and animal products and the authoritative price and fee changes (transportation fees, water reserve use fees, statistical and customs procedures fees, etc.) will affect the several branches of the foodstuffs industry to differing degrees and accordingly will make necessary a differentiated increase in producers prices. However, there will be centrally determined producers price corrections in those branches in which an increase in the producers price is justified by the authoritative change in prices for primary materials and in which the cost increases interdependent with the already mentioned central decisions cannot be passed on in enterprise contacts--because of authoritatively determined consumers prices. In the case of branches and products not included in the producers price correction the foodstuffs industry enterprises can--within the frameworks of the price control prescriptions--initiate price corrections independently with customers because of the costs. In the course of the central price corrections for the foodstuffs industry the price increase for agricultural and foodstuffs industry primary materials and the other authoritative price and fee increases will be counterbalanced in their entirety in the producers prices while the other cost increases not originating from authoritative price changes will be counterbalanced by an average of about 70 percent.

Tax Changes

In the 1987 changes of the financial regulatory system the aspiration was to make only the absolutely necessary modifications because a more comprehensive systematic change affecting the regulators of the producing sphere of the national economy (prices, taxes, supports) is being prepared. So the changes serve the requirements of our plan for next year, that is, primarily, an acceleration in the production of income, encouragement of technical development and an increase in competitiveness in export.

The general magnitude of the accumulation tax in regulating the income of the agricultural and foodstuffs producing branches will not change. The accumulation tax for grain storage facilities and artificial fertilizer manufacturers will decrease to 8 percent and the accumulation tax on construction of service dwellings for agricultural experts and on the investments of the poultry branch will end. Beginning next year an accumulation tax will not burden acquisition of draining machinery or self-propelled mowing machines either.

The production tax will be moderated for three keys: it will be reduced to 14 percent for instrument manufacture, to 11 percent for mass metal articles and to 13 percent for chemical industry activity in the interest of creating greater interest than heretofore in expanding these activities, primarily in large agricultural operations with unfavorable natural conditions.

The 8 percent so-called average earnings "ceiling" in effect this year in earnings regulation will be differentiated. The earnings level in all three earnings regulation forms can be increased between 4 and 14 percent, depending on the increase in added value per 100 forints of earnings, without paying a special earnings tax. As a wage policy measure a place of work supplement will be introduced to recognize in wages the conditions least favorable from the viewpoint of work performance, for physical workers and their immediate leaders employed in the cattle, hog and sheep branches and in fishing.

The introduction of this will be operation by operation on the basis of their own decision, but the magnitude of it must be at least 20 percent, and the large operations can realize it gradually over 3 years. In 1987 50 percent of the place of work supplement can be paid out on the farms tax free, for which they can use a base correction in earnings regulation. In the case of large operation earnings taxation the earnings tax belonging to the base year (1984) can be subtracted from the earnings tax--if the income tax for the subject year does not provide cover for it.

Supports

Considering that a significant number of the farms are combining the equipment used for melioration and that used for irrigation in the areas suitable for this, beginning next year the two activities will be treated identically in regard to supports. Thus the support conditions for irrigation and rice field investments will be the same as those for melioration; that is, the size of the per capita gross income will determine the size of the support.

In the case of construction investments starting after 1 January 1987 the base for the support will uniformly be the actual investment cost, that is the "activated" sum. The investment support document becomes invalid if the investment is not begun within one year.

The budget will provide, as state support, 80 percent of the so-called base fee for irrigation water paid by large agricultural operations.

In the interest of seeing to it that the ripple effects of the price changes--primarily the price increase for crop protection materials--should not hurt the income position of corn the tax concession offered for areas planted in corn will increase from the previous 800 forints per hectare to 1,000 forints per hectare.

In recent years, and at present also, the state budget has provided a 5-7 percent interest concession to large agricultural operations on investment credit offered for certain foodstuffs processing investments because the rates of interest, which include purchasing power controls, sometimes exceed the profitability of these activities. Because of the reduction in interest rates this year and in order that interest concessions should appear uniformly for credits assumed for the same investments belonging under agricultural regulation the interest concessions will be reduced to 3-5 percent for such investments begun after 1987. With the development of a two level banking system these interest concessions can be made use of by enterprises and cooperatives belonging under agricultural regulation for investments being handled by any commercial or credit bank if they assume credit for an investment purpose defined in the decree.

Beginning in 1987, in the interest of a more organic uniting of primary material production and processing, the sawmill and panel industries will be transferred to agricultural regulation. Also beginning in 1987 the insurance system for large agricultural operations will be renewed with the intent of making insurance have a really business character, and so that it will be more attractive to the large operations. In place of the previous combined insurance methods in crop production the large operations will be able to sign for insurance by type of danger (ice damage, water damage, sandstorm, winter frost, storm damage, etc.). The insurance compensation according to type of danger will be based on the expected crop--without risk damage. Exceptions to this are the combined ice, spring frost and water damage insurance method for garden cultures and water damage insurance, where compensation is based on the average yield for the preceding 3 years. The state budget will temporarily provide support to State Insurance--in the interest of developing self-financing--to insure a few types of danger which have proven a loss thus far.

The premium system for animal insurance will change also; instead of the previous four premium classes there will be seven, thus the insurance premiums in animal husbandry will become more proportional to the damages.

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ADVANTAGES OF CEMA INTEGRATION DISCUSSED

Prague SVET HOSPODARSTVI in Czech 9 Sep 86 p 2

[Author not indicated: "Growing Significance of CSSR Integration"]

[Text] Czechoslovak Foreign Relations

Socialist Economic Integration

Growing Significance of CSSR Integration

Emphasis on Further Improvement in Foreign Trade and Production.
Continually Intensified Cooperation with CEMA.

The intensive integration of the Czechoslovak economy into the process of the international socialist division of labor is one of the basic directions of the economic policy of the CPCZ. The cornerstone of this process is mainly the well-rounded development of mutually advantageous trade, economic and scientific, and technical relations within the framework of CEMA, and the enhancement of our participation in socialist economic integration. This basic principle of CPCZ foreign policy is implemented to the letter. Focusing our foreign economic relations particularly on the socialist countries, emphasizing the CEMA member countries, has proven to be the only correct way for the CSSR to ensure the development of all branches of its national economy.

The advantage of the CSSR being a member of CEMA may be documented by means of foreign trade performance. Since 1949 total turnover in Czechoslovak foreign trade increased by more than a factor of 20, but turnover with the CEMA member countries has increased almost 35-fold. The share of the CEMA member countries in overall Czechoslovak foreign trade turnover has been developing as follows:

| | | | | | | |
|--------|------|------|------|------|------|------|
| Year: | 1949 | 1956 | 1966 | 1970 | 1980 | 1985 |
| Share: | 47% | 58% | 63% | 63% | 64% | 74% |

In terms of the share of CEMA member countries in overall foreign trade turnover in 1985, the CSSR ranks second (after Bulgaria).

In past years Czechoslovak economic cooperation with CEMA member countries has had a decisive impact on the development of the Czechoslovak economy. First, it secures the necessary raw material, fuel and power inputs and imports of important machine equipment and technology. Second, it creates the basic market for the final products of Czechoslovak industry.

In 1950 machinery and equipment accounted for almost 40% of Czechoslovak exports; in 1985 this figure rose to over 66%. Therefore, in harmony with the aims of the economic policy of the CPCZ, the Czechoslovak machine industry fills the role of the main export branch. Together with mass consumption, industrial goods, machinery and equipment account for over 81% of the structure of Czechoslovak exports to CEMA member countries at the present time. This reflects the processing orientation of the structure of Czechoslovak industrial production.

In comparison to the 1950s, the structure of Czechoslovak imports has also changed. At present, fuels, mineral raw materials and metals represent almost 50% of the value of our imports from CEMA countries. Together with imports of machinery and equipment, fuels, mineral raw materials and metals account for almost 84% of imports from the CEMA countries. The shares of the other product groups in the import structure decreased.

In terms of the overall volume, as well as the structure of mutual exchanges of goods, of all CEMA country partners, the role of the USSR in the development of the Czechoslovak economy is irreplaceable. In 1985, for example, exports of machinery and equipment to the USSR accounted for almost 63% of Czechoslovak exports of these goods to CEMA countries; for industrial consumer goods the figure was 70%. In 1985 imports of fuels, mineral raw materials and metals from the USSR represented almost 92% of all such imports from CEMA countries. In the last 15 years we have imported more than 230 million tons of oil from the USSR. In 1985 we imported 300 million tons of iron ore. In the past years, the USSR has been an important exporter of unprocessed iron, copper, aluminum, nitrogen fertilizers, electrical energy, hard coal and other items important to the Czechoslovak economy.

To demonstrate the significance of other CEMA countries (particularly the European ones) to the Czechoslovak national economy, we provide the following ranking of countries in the total Czechoslovak foreign trade turnover in 1985: 2. GDR; 3. Poland; 4. Hungary; 7. Bulgaria; 9. Rumania.

The 17th congress of the CPCZ evaluated the significance of the CSSR's integration into international socialist integration over the past 15 years in the following terms: "The results obtained were significantly influenced by a further deepening of the economic cooperation and socialist economic integration of CEMA countries. In the past 15 years the most significant projects were the joint construction of the Orenburg gas line--western border of the USSR, the construction of the Chmelnic nuclear power plant, and the joint construction of the Kiyembayevsky complex for mining and processing asbestos. Imports from the USSR cover almost 100% of our total oil consumption, more than 90% of natural gas, almost 90% of iron

ore and a high proportion of our imported raw materials and other inputs. Under the seventh 5-Year Plan, the integration of our economy into the international division of labor has deepened, mainly through further development of socialist economic integration.

At the present time, in the CSSR as well as in other CEMA countries, we are witnessing the accelerated socioeconomic development through the intensification of and increase in the effectiveness of social production, the quality of all work and a strict spirit of economy. This basic socioeconomic strategy of the CPCZ through the year 2000, approved by the 17th CPCZ Congress, sets the following tasks for socialist economic integration for 1986-1990 in the area of foreign economic relations: to intensify continually overall economic, scientific and technical cooperation with CEMA countries, particularly the USSR, on the basis of complete fulfillment of the aims of economic deliberations at the highest level;

to secure at least 22% growth of foreign trade turnover with socialist countries in 1986-1990 and to create preconditions for further growth after 1990;

to develop chiefly internal specialization and sectoral shifts;

to devote special attention to integration efforts which ensure a supply of fuels, energy and raw materials and strengthen the economic invulnerability of the society.

Thus the dynamics, effectiveness and quality of foreign economic relations are deemed to be a significant factor in strengthening the Czechoslovak national economy. We must not shy away from the fact that increasing merchandise trade with the socialist countries by 22% between 1986 and 1990 is very demanding. At the same time this percentage must be considered a minimum.

Past meetings of CEMA countries' planning authorities for coordinating national economic plans for 1986-1990 and beyond, meetings long since closed on long-term agreements with CEMA countries, basically secure the above-stated intention of increasing the mutual exchange of goods by 22%.

Considering that the possibilities for the growth of interbranch shifts have been virtually exhausted, it is necessary to develop new forms of cooperation thoroughly, particularly production specialization and cooperation, which must become the main vectors of the further dynamic growth of merchandise trade. Special attention will be paid to actions involving integration. The CSSR will be taking part in the construction of the Krivoy Rog complex for processing raw materials from iron ore and the gas industry in the USSR.

The multifaceted program for scientific and technical progress by CEMA countries by 2000, adopted at the 41st (special) CEMA Congress, will be a significant stimulus for increased intensity of mutual cooperation. The CSSR will participate in solving most of the 95 problems in this

program's five priority areas. In many specialized tasks Czechoslovak economic and scientific research organizations will participate in international cooperation. For a number of problems these organizations stand ready to coordinate the problem solving process.

Mention must also be made of the bilateral long-term economic, scientific and technical cooperation programs of CEMA countries by 2000, which the CSSR has entered into with the USSR, GDR, Romania and Poland, which are among the significant stimuli for development, mainly of international production specialization and cooperation.

Agreement on the creation of the INTERROBOT international scientific production association for the development of robotic devices, signed on 18 December, 1985, stands as a concrete example of the highest form of cooperation within the framework of the multifaceted program of scientific and technical progress by 2000, as is the case in the following bilateral agreements:

The agreement of 22 March 1985 between the CSSR and the USSR on cooperation in developing robotic units and flexible production systems and in creating the ROBOT international scientific production association, including the amendment of 21 March 1986;

The agreement of 5 April 1984 between the CSSR and the GDR on cooperation in developing, producing and introducing industrial robots and materials handlers, including complementary products;

The agreement of 10 July 1985 between the CSSR and the GDR on cooperation in selected areas of industrial biotechnology.

We expect that in the course of carrying out the multifaceted program of scientific and technical progress, such forms of cooperation as direct relations between enterprises and joint scientific production associations (the CSSR has already adopted the Guidelines on this subject on 1 July 1986) will be adopted.

Fulfilling these plans demands further work improvements in foreign trade and production. This will be mainly a matter of reacting rapidly and on time to the changes on world markets, improving the marketing work of Czechoslovak foreign trade organizations, improving supply and advertising management, technical and service services, improving export production quality, and tightening its control, ensuring a steady supply of spare parts, and consistently paying attention to the maintenance and strengthening of the good name of Czechoslovak products.

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COMBINES PLAY VITAL ROLE IN UNITING SCIENCE WITH PRODUCTION

East Berlin WIRTSCHAFTSWISSENSCHAFT in German Vol 34 No 10, Oct 86 pp 1472-1484

[Article by Prof Herbert Kusicka, Dr of Economics, born 1933, director of the Research Department of the Ministry of Science and Technology, chairman of the Science Council for Economic Matters dealing with Scientific Progress. Original Title: "Tasks and Experience in the Acceleration of Scientific-Technical Progress in the New Stage of Connection between Science and Production"; first two paragraphs are WIRTSCHAFTSWISSENSCHAFT English language summary]

[Text] Proceeding from the decisions of the XI. Party Congress of the SED and its fundamental orientation towards combining the benefits of socialism still more effectively with the achievements of the scientific-technical revolution, still more intensely than previously science with production and production with science, the author underlines the fact that the comprehensive use and utilization of the key technologies will be shifted into the centre of mastering the scientific-technical revolution. To this end, it is an indispensable requirement to reach the highest achievements in science and technology. In this context, the combines of the national economy of the GDR take a central position. They have proved to be the decisive chain link for the effective combination between science and production.

The author explains why this combination will in future substantially gain a higher priority due to the incorporation of Academy and University research on the basis of long-term, stable and binding contracts and due to the funding by the combines. Special attention will be devoted to the management and planning of research and technology, as it has been well tried in practice. The further measures are discussed with a view to bringing research, development, production and sales still closer together in the cycle of reproduction in terms of management and to providing thus additional conditions for a higher economic efficacy of science and technology.

The 11th Party Congress of the SED has mapped out the continuing route toward the development of the GDR as a politically stable and economically efficient socialist state, firmly anchored in the community of socialist states and united in a steadfast unified struggle and cooperation with the USSR for the period leading to 1990 with a view to the year 2000. In accordance with the

SED program, the socialist society developed in the GDR is continuing to develop. As already stressed in the party program and newly emphasized by the 11th Party Congress, the realization of this task is a historical process of far-reaching political, economic, social, and intellectual-cultural transformations.

For the success of this development, the preservation of the unity of economic and social policy is of basic significance. The Party Congress reaffirmed the future continuation of this course which has now proven itself for 1 and 1/2 decades. It represents the spirit of socialism and is--as Erich Honecker said--the frontline battlefield, the core of economic strategy through the year 2000 (Footnote 1) (cf. "Report of the SED Central Committee to the 11th Party Congress of the SED," by E. Honecker, Dietz Verlag, Berlin, 1986, p 26). "Optimism, an aggressive atmosphere, forward-directed efforts for the resolution of demanding tasks, maximum support from youth are characteristic of a socialism which, because of the location of the GDR on the western boundary of the socialist community, is an alternative for the people of the West" (Footnote 2) (E. Honecker, "With the Soviet Union on the Good and Sure Path," NEUES DEUTSCHLAND, 8 May 1986, p 3).

Central to this economic and social policy focused on the welfare of the people and the safeguarding of peace stand especially those economic sectors which set the pace; and also stands the task

- of combining the benefits of socialism even more effectively with the achievements of the scientific-technical revolution, combining science with production and production with science even more than in the past;

- of guaranteeing rapid, planned growth of productive forces to a high level through comprehensive development and application of the key technologies;

- of thus acquiring in a qualitatively new way significant sources of growth for the accelerated increase in labor productivity and reduced specific expenditure of energy resources, raw materials, and other materials;

- of assuring high and stable economic growth and increasing output and efficiency, which are indispensable to socialism, through comprehensive long-term intensification.

The proceedings and the resolutions of the 11th Party Congress demonstrate that the Party adapted itself early on to the requirements of modern productive forces and made the decisions which grew out of this. With the resolutions of the 11th Party Congress, the Party has armed the GDR and all its people well for the tasks of the present and of the future. A basic foundation for this is the extremely successful balance sheet that the Party Congress was able to draw up for all sectors of GDR development.

In implementation of the economic strategy adopted by the 10th Party Congress, the greatest increase in performance to date in GDR history was achieved during the period from 1981 through 1985. That was possible through the consistent application of comprehensive intensification of social production, especially through higher economic efficacy of science and technology.

Intensively expanded reproduction has become the defining principle of the GDR national economy. It has been increasingly possible to sustain the increase in economic performance through results coming out of science and technology. On this road it was possible--as the 11th Party Congress was able to affirm--to effect a fundamental change.

The results achieved and the experience gained and generalized in this process demonstrate that the GDR is making those demands of itself which result from the dynamic development of its productive forces. They likewise verify that the working class, the cooperative farmers, and the intelligentsia, closely united with the Party and under its leadership, are capable of successfully accomplishing these new tasks.

The following tasks and experience in the acceleration of scientific-technical progress in the GDR should become the central focus here:

1. Continuing to follow the course of the primary task in its union of economic and social policy and pursuing it over the long-term requires above all that we apply the key technologies more extensively. The further growth in performance of the national economy on the road to comprehensive intensification has to be permanently based on economically and socially highly efficient use of their possibilities.

2. The existence of the combines in the national economy is of basic significance for the organic connection of the scientific-technical revolution with the benefits of socialism. In their development and their results are reflected essential aspects of the perfection of the socialist production relationships and the utilization of the benefits and motive forces as they are currently needed to link science and production most efficiently.

3. The socialist planned economy of the GDR is proving itself capable of effectively and flexibly reacting to the requirements of the scientific-technical revolution. The constant perfection of management, planning, and economic accountancy and their instruments, also including those of the scientific and technological sector, are oriented toward consistent implementation of the economic strategy and form crucial foundations for the acceleration of scientific-technical progress and raising its economic efficacy.

Comprehensive Application and Utilization of Key Technologies Central

The cardinal issue in comprehensive intensification is the acceleration of scientific-technical progress, especially in the area of the key technologies. The qualitative changes in the material-technical foundation of the GDR national economy introduced in this area have already led to notable results during the course of the past 5-year plan.

Particularly stressed are

-the accelerated development of microelectronics and the computer technology based upon it as well as its increasing application to raising the technological level in production design as well as for the control and

monitoring of process flow, chiefly in the construction of equipment and machinery;

- the steps introduced in accelerated expansion of computer aided production design and manufacturing control as well as the flexible automation of entire sections of production;

- the application of more than 56,600 robots in the national economy as well as the opening of additional new efficient applicational sectors through development and production of innovative microelectronic and hydraulic sub-assemblies, controls, sensors, and optical recognition systems;

- the work and first results in the development of new materials and technologies for their manufacture and processing, above all in new ceramics, special polymers, highly refined metals, high-purity materials, and processes for chemical refinement;

- the applicational examples and additional preliminary scientific work in the areas of beam waveguide transmission, digital information transmission, laser technology, biotechnology, and others.

In fundamental sectors the GDR has kept up with the international pace of the scientific-technical revolution and even achieved some leading positions. In all these and other areas, the goal has been set to continue this development consistently and acceleratedly and to assure a significant increase in the economic efficacy of the entire reproduction process through their comprehensive application in the national economy.

Extensive application of the key technologies is on the agenda. It is characteristic of these developmental trends in modern productive forces which have come to the fore since the end of the seventies in accelerated pace that their application leads to revolutionary radical changes which are becoming increasingly noticeable in the productive forces in virtually all areas of the national economy. They make it possible to tap completely new sources of efficacy and novel potentials for efficacy and that in all intensification thrusts, i.e., in conservation of labor, energy, materials, and resources as well as in a significant rise in use-value.

The basic innovations defining the key technologies are linked to new demands on the perfection of existing and known technologies. Microelectronics, control, robotics are inconceivable without qualitative perfecting of precision mechanics, engine manufacture, optics, hydraulics, etc.

Naturally, the fields of application must be continually developed more efficiently both in terms of prerequisites and applications. To that end, the 11th Party Congress set the task,

- of tripling the share of automatically produced products by the year 1990 and adding flexible automation production systems to a greater degree than previously planned. These are to be made the basis for a more rational organization of the entire enterprise. Through this, "labor productivity in these sectors is to be increased 5- to 6-fold and costs are to be lowered by

from 15 to 20 percent" (Footnote 3) ("Report of the SED Central Committee...", p 28).

In connection with computer aided planning and technical design, control and oversight including quality control and maintenance, development is initiated which will lead to more and more automated factories within the next 10 to 15 years;

- of manufacturing and placing in highly efficient operation an additional 75,000 to 80,000 industrial robots by the year 1990. Their inventory will thus rise to 132,000 to 138,000 and provide additional prerequisites for a rapid increase in productivity;

- of providing 85,000 to 90,000 CAD/CAM workstations in the same time frame and of increasing their inventory more than 8-fold compared to today. Extensive introduction of computer aided workshops for design, technological production design, and control introduces additional qualitative changes into the economy of the GDR. They make it possible, using results already known today, to raise productivity 2-fold to 5-fold, to lower costs significantly, and to reduce process time and implementation time for new processes;

- of providing the prerequisites for this performance dynamism through efficient use of all energy sources, raw and other materials, in particular through super refinement. Comprehensive tasks for this are chiefly to be resolved in the energy, chemical, and metallurgical industries;

- of tripling the manufacture of biotechnological products in the national economy by 1990.

The mastery of the scientific-technical revolution, which is primarily a matter of development and comprehensive application of the key technologies, introduces, because of its universality and its profound and superficial effects, the greatest leap there has ever been in the development of productive forces through its economic potentialities and socio-political possibilities. In the focal point of these radical changes undeniably stands microelectronics and the acquisition, transmission, and processing of data based on it. Progress in microelectronics continues to display an extraordinarily high dynamism. It permeates the entire national economy. Without exception, all sectors of social production and daily life are permanently affected by it. Precisely because of this, the highest growth rates and additional rapid qualitative advances are to be achieved in this sector. During the coming period, following the Party's orientation, the collective effort is concentrated on organizing the development, production, and application of microelectronics in our national economy following international standards.

To that end, in accordance with the Comprehensive CEMA Program for Scientific-Technical Progress Through the Year 2000, the goal has been established to expand the standardized base of electronic components with new generations of highly integrated and very highly integrated circuits as well as optoelectronic solutions, to broaden the palette of computer technology, including personal computers, and automation technology as well as to

extensively apply digital data transmission and fiber-optic waveguide technology. For this, the GDR will intensively develop and produce technologies and special equipment and in addition to manufacturing efficient components.

Fully within the spirit of the comprehensive application of microelectronics in the GDR national economy and in the generalization of existing experience in the combines, the Party Congress set the goal that efficient sub-assemblies will increasingly be manufactured by the final producers themselves, and each combine will produce for itself the required capabilities including combine-specific user software. In order to make a new advance in the direction of the highest level of technology within relatively few years, to utilize microelectronics and computer technology efficiently, the organization of software production by manufacturers and users deserves the utmost attention. Efforts in this area must be further increased.

All in all, these tasks reflect the qualitative innovation which determines our development. It is becoming emphatically clear that high performance in science and technology are indispensable and indisputable prerequisites for it. Therefore, the Party places central emphasis in the renewal process on the struggle for more that is new and that surpasses the known, on achieving international level high-tech results in science and production and their comprehensive economic utilization. It is in the interest of the national economy to make even stronger progress than before on a broad basis using the latest scientific-technical knowledge, especially in high-tech products. A rapid pace of renewal of products is the basis of our development. The achievement of an average renewal rate of 30 percent in connection with a scientific-technical level corresponding to international standards and corresponding quality is of utmost significance. On this basis, it is necessary to assure conservation of expenditures through higher refinement of available raw materials, energy sources, and materials, modernization and better utilization of capital assets, increasing labor productivity comprehensively and with greater efficiency.

Combines as Decisive Link in Chain of Effective Science-Production Connection
Today it can justifiably be said: The end of the seventies and the beginning of the eighties with the associated formation of new combines and the further development of existing combines in industry, construction, and other economic sectors provided the crucial prerequisites for the introduction of that basic shift toward intensification with which the level of performance now achieved and the pace of growth of the national economy finally became possible. Without the combines the successful implementation of the economic strategy would be inconceivable. They have "proven themselves quite well as a modern form of management of large-scale socialist production under the conditions of intensification. The efficiency of the combines springs quite clearly from the uniform management of all important phases of the reproduction process. Above all, the organic connection of production and science has been based on economic foundations. The combines are thus increasingly becoming catalysts of a higher dynamism in science and technology and in the economic utilization of their results" (Footnote 4) (Ibid., p 44f).

Crucial for the fundamental significance of the combines in the national economy, for their development and their work, was, is, and will remain the

fact that in the combines everything belonging in the cycle of intensively expanded reproduction, including significant R&D potentials, is performed in a unified manner. The combines thus have at their disposal great mental and material potentials which make it possible to structure the reproduction process in complex ways with an orientation toward prospects. They are the GDR's most important vehicles of production and export.

Of particular influence in the acceleration of scientific-technical progress, especially of the application of the key technologies, is the fact that more than 69 percent of the R&D potential of the GDR is directly assigned to the combines. With it they have at their disposal all the prerequisites to implement the unified management of scientific-technical progress in the reproduction cycle in practice. This is likewise the imperative reason to complete renovation quickly and on a high technical-economic level in the combines. From them comes the pacesetting influence on the scientific-technical progress in the national economy. This close connection between science and production in the combines has certainly proved its worth. Its status increases significantly in the portion of the implementation of the Party's economic strategy which lies before us.

The new stage in the organic combination of science and production, in the center of which the combines are found, includes the push for international quality. It requires the mobilization of the collective scientific potential and its clear focus on this goal.

First, it is a matter of assuring in each combine that, in keeping with the higher requirements, the scientific-technical potential is continually renewed and, with an eye to the future, is oriented toward the achievement of international leadership rank in technology and in economics. It is to be molded through the establishment of demanding goals in such a way that the highest creative accomplishments in research and technology surpassing what is now known are developed and that they are quickly utilized.

Second, high-tech results and the processes linked to their introduction and economic utilization must be achieved quickly and judiciously. On this basis it is necessary for the combines to assure the national economic contribution to the growth of national income and the reduction of productive consumption according to the conditions set forth in the national economic plan. For that, the combine's material and financial resources, especially investments, tool-, template-, and prototype construction, its own production of the means of rationalization are to be given priority.

Third, it is important to tighten the research-to-market cycle and to provide scientific-technical high-tech results for the domestic economy and for the products demanded by the population as well as for marketable export goods in large production series through flexible reaction. It is above all currently a matter in the continuing significant reinforcement of the connection of science and production in the combines of tightening the cyclic process from research to sale through uniform management in such a way that all the potentials for efficacy of scientific-technical progress are always comprehensively involved. To that end, according to the requirements all necessary organs of the combines are to be further reinforced. In particular,

production of their own means of rationalization; market research and customer service; effective coordination of research, production, and sales; and cooperative relationships within and between the combines are to be further perfected.

Of fundamental and great prospective significance for the new stage of the connection of science and production are the measures introduced by the 10th Congress of the Central Committee (June 1985) concerning the formation of relationships between combines and institutions of the academy and the university. Basically, it is a matter of the significant expansion of our potentials for international quality high-tech results, of--as the 11th Party Congress emphasized--bringing to bear the not inconsiderable scientific potential of the academies, universities, and the industrial combines in qualitatively new ways, with basically higher results. In the center are the further strengthening of the role of the combines and the necessary significant innovations for the continuation of intensification, such as only very-forward looking basic research can produce.

The connection of science and production is taking on a new aspect due to the incorporation of academy and university research on the basis of long-term, stable, and binding contracts and due to funding from the combines. The new quality to be achieved here will have to lead to high-tech results on a larger scale and a higher level, especially in areas of development of modern productive forces, which can be implemented with considerably greater economic productivity primarily in the combines. Academy and university research is thus more firmly oriented toward the requirements of the economic and technical-technological development of the combines and directed in a unified manner along with the significant scientific potential of these large economic unities toward the implementation of the economic strategy.

"There are tremendous challenges and likewise risks in quickly renovating production, raising its quality, and reducing its expense to a degree that was never possible before. In this area fall the decisions about the pace of growth of labor productivity, upon which depends the manner in which our economy will address the needs of humanity and the various internal requirements of the development of our country and how it can hold its own in the world" (Footnote 5) (Ibid., p 49).

The path toward continued development of the proven principle of the very close connection of science and production described here undeniably raises the value of the interlocking of research and production and the responsibility in the combines themselves. Based on their own international quality high-tech results, reflecting the high dynamism of the scientific-technical revolution, it is important for the combines:

-first, that they focus even better on implementing the latest results from basic research which target the utilization of innovative technical-technological principles of efficiency with gains in pace and higher efficacy in production and in exports. To that end, an even greater flexibility and receptivity in the combines' reproduction cycle for the latest scientific-technical achievements is necessary as an important requirement for the mastery of the scientific-technical revolution;

-second, to strengthen the potential of basic research in the combines themselves qualitatively and quantitatively. In our experience, that is one of the key tasks for the productive cooperation of combines and academe. The creation of forward motion and its joint orientation to the requirements of the development of the performance of the combines has in this a very basic support;

-third, more than ever not to tolerate any shortsightedness. Long-term conceptual-strategic work is becoming an increasingly indisputable characteristic of work in the combines as it is in the academies and universities. The elaboration of a joint design directed at the highest scientific-technical level and the greatest possible economic productivity corresponding to the requirements of intensification demands painstaking forward-looking work in all sectors involved.

Planning and Economic Accountancy Oriented Toward Acceleration of Scientific-Technical Progress and Raising Its Economic Efficacy

The GDR has at its disposal a well-functioning system of socialist planned economy which is proving to be productive, dynamic, and flexible. Over the past years it has been organized and perfected in such a way that it corresponds to the requirements of comprehensive intensification through acceleration of scientific-technical progress.

Its fundamental economic processes remain firmly in the hands of the state. Further consolidation of centralized state planning has been closely tied to the creation of necessary conditions to link planning and economic accountancy in the enterprises and combines more closely. Economic management and evaluation of performance according to the four leading indicators (net production, net profit, products, and output for the domestic population as well as for export), prices, finance and credit relations, the performance oriented wage policy, and the contract system have been focused on intensification. Thus democratic centralism has been further strengthened.

Into the center of planning and performance evaluation moved, with quantitative results, the individual contribution of the combines to the increase in labor productivity, to the reduction in productive consumption and costs, and to the raising of quality, in sum, to the basic improvement of the cost-result ratio while meeting the initial state planning targets. Thus various economic interrelationships of intensification were embraced and the basic requirement of "Growth Through Efficacy" was effectively complied with. This path is above all oriented toward permanently supporting the common interest of research and production in the highest results from science and technology.

The management and planning of research and technology which has been proven in practice is an organic component of the total planning system. Here again, the fundamental processes, particularly for the comprehensive development of the key technologies and the economic results to be achieved through their utilization, remain in the hands of centralized state management and planning. They are:

-passed on jointly and severally to the ministries and the combines in the national economic plan as economic initial targets or major goals for science and technology and as standards;

-allocated under the State Plan for Science and Technology as state orders for implementation of fundamental innovation processes, namely for the accelerated development of key technologies, in accordance with the major guidelines established in the 5-Year Plan Directive and in the Comprehensive CEMA Program;

-passed on as orders to achieve high-tech results for selected products and technologies, particularly for introduction assignments under the State Plan for Science and Technology when it is absolutely necessary in the general interest of the state to reach the maximum international level.

The economic initial targets or standards chiefly concern state minimum requirements for conservation of working time and manpower, for reduction of the energy and material outlay, for mass production of newly developed products in worthwhile volumes, for contribution of new production of maximum international quality, etc. This is how the major economic goals for science and technology look for 1986 through 1990, with focused and concentrated development of modern technologies and processes and their extensive utilization:

-to conserve 2.5 to 3 billion hours of working time, which corresponds to a working time resource of approximately 1.6 million workers, i.e., more than half of the workers in industry;

-to effect energy conservation which corresponds to a brown coal equivalence of 80 million metric tons or more than 25 percent of the annual overall demand for brown coal;

-to conserve at least 2.6 million metric tons of rolled steel, 44,000 metric tons of aluminum, 13,000 metric tons of copper, and 1.8 million metric tons of cement;

-to achieve a renewal rate of over 30 percent in production, including an annual renewal rate of from 30 to 40 percent for consumer goods;

-to introduce mass production of from 15,000 to 16,000 new marketable products and to achieve maximum international quality for at least 60 percent of the new production.

The state orders and the performance required to meet them constitute the major content of the State Plan for Science and Technology and define its character. As a rule, they are complex, and frequently several combines and research institutions from various ministerial sectors as well as the GDR's

scientific academy and universities are involved in their implementation. Furthermore, all tasks worked on jointly with the USSR within the framework of the Comprehensive CEPA Program are state plan tasks.

State orders are drawn up under the responsibility of the Ministry for Science and Technology. Leading scientists and committees from the GDR Research Council are deeply involved in this work, which requires a special degree of foresight and precise knowledge of the international situation and its developmental trends. Each individual state order must be submitted to the Council of Ministers for authorization. Management and implementation of state orders take place under the jurisdiction of the ministers or directors general in whose sector the basic tasks to be carried out fall. Elaboration and fulfillment of the tasks of the State Plan for Science and Technology are subject to the proven strict centralized management regime, which includes relevant controls and exact accounting.

Currently, roughly 30 percent of the GDR's research and development potential is working on the tasks of the State Plan for Science and Technology. The greater part by far of this potential is applied to scientific-technical tasks which the combines establish under their own responsibility.

Overall, the management and planning of science and technology is directed toward meeting and surpassing the above mentioned national economic goals for increasing labor productivity, for reducing productive consumption, for the growth of net production and export with the consistent implementation of the State Plan for Science and Technology and the tasks established in each combine under its own responsibility.

A central link in the chain of the conversion of the state orders placed under the plan into demanding goals for scientific-technical work and the awareness of the national economic responsibility of the combines for their fulfillment is the performance specification for research and development tasks. It is one of the most effective leadership and management instruments in the entire system of management and planning of science and technology in the GDR and has proven itself very well in practice. It is to be worked out for all R&D tasks which serve directly or in a preparatory role for the development of products, processes, or technologies as well as innovative software and their introduction into production.

In the performance specification are to be found, depending on the specifics of the task, clear statements regarding the national economic ramifications of the task for which scientific preliminary work is to be done in order to achieve leading-edge results in science, technology, and economics. Tasks for the development of products, processes, and technologies must guarantee the utmost economic efficacy of the relevant concrete results.

In the performance specification, proof is to be established in particular of how a higher use-value, functional safety, customer-suited design, favorable parameters in productive consumption, in costs, and in production time as well as projected performance on a high scientific-technical level compared to international development are assured and what volume of production and export is to be achieved, including foreign exchange earnings

impact. In addition, binding economic goals and primary performance data determining quality or characteristic measurements of the scientific-technical task are presented with short processing times being basic.

The tasks established in the performance specification and the results achieved are to be defended before a committee of experts. Primary users and cooperative partners, domestic commerce and foreign trade organs as well as other relevant organs must give their approval. The goals and results are to be confirmed by the general director of the combine.

Basically, it is primarily a question of elaboration, initial targeting, and achievement of demanding economic goals which are to be secured through creative performance on a high scientific-technical level. In this endeavor we are being led by the knowledge, confirmed time and again in practice, that decisions about the degree of innovation, the level, and efficacy are already essentially made when goals are set. With the performance specifications clear economic and scientific-technical standards are established, and thus it will be determined to a large extent what performance demands must be made on research and development. The utmost demands, care, and soundness must distinguish this work. No mediocrity can be permitted here. As experience shows, modest demands lead only to mediocre performance and results.

In connection with the establishment of relevant production quantities for new products for the domestic economy and for export, the results achieved and confirmed in the final defense are to be evaluated as well as possible from an economic point of view. They have multiple impact through the increase in labor productivity, the reduction of productive consumption, through costs, net production, and in the profits of the combine.

This necessary connection of demanding goal setting for scientific-technical work, the insertion of research into the cycle of reproduction, especially the linkage of production and sales, has not yet been achieved in all combines to the extent currently required. It is a question of making that which is economically necessary and also achievable the foundation of work rather than that which is seen as possible at a given time from the point of view of the researcher or individual standards of efficacy.

The pace and level of utilization of scientific-technical results, in particular in high-tech scientific-technical performance must also be further increased.

The most important conclusion consists of uniting research, development, production, and sales even more closely in the cycle of reproduction in the combines through management and through this to provide additional conditions for higher economic efficacy of science and technology.

Thus it is planned on the proven basis of work with the performance specifications beginning on 1 January 1987 to introduce a renovation permit for all scientific-technical tasks for development of products, processes, or technologies and their economic utilization through production and sales. As a management and planning instrument, the renovation permit unites the entire process of scientific-technical work from the elaboration of goals and

solution variants for product and process development all the way through the second year following the introduction of the results into mass production. Its novelty can be briefly summarized as follows:

-First, the renovation permit links the goal setting of the performance specifications for the highest economic efficacy of the concrete developmental work through the demanding creative activities of research with the best possible economic utilization of these results through production and sales. The economic cycle of renovation is thus complete in management terms.

The former relative vagueness concerning the planned size of production series or the range of applications is done away with by means of this internal coherence provided by the renovation permit. The renovation permit enforces, through management so to speak, the planned multiple economic impact. It moves the economy, specifically development of performance and efficacy; increases in exports and their profitability; conservation of energy, production time, and costs consistently and generally from research all the way to sales, into the focus of the renovation process;

-Second, in the future the solution course based on the minimum economic requirements of the general director will be clarified in principle before the opening defense and the approval of the goals linked to it. In this way, decisions for the opening defense, which will in the future also include goals for economic utilization through production and sales, will be more sound and more binding.

-Third, a general economic accounting dealing with costs and profits is to be carried out in connection with goals and results of developmental tasks and their utilization. The crux of it is the unerring information about profitability, i.e., that which makes a significant difference economically in terms of the highest efficacy. That also makes it possible to introduce into subsequent work qualitatively new steps in the linkage of the Plan with economic accountancy in the area of science and technology, the further improvement of economic accountancy in research and development.

-Fourth, further simplification is achieved through standardization of management instruments formerly applied at different times as well as through consistent utilization of computer technology.

Future work with the performance specifications and the renovation permit are primarily directed toward bringing the renovation process right to the link with production in management terms and thus to take another step toward the close connection of science and production in the cycle of reproduction in terms of highest efficacy. This process is actively supported by the industrial price formulation for the promotion of new, highly efficient products as well as noticeable price reductions for obsolete, inefficient products.

On the basis of the economic responsibility of the combines which has evolved and also on previous experience more attention must also be paid in the future to the qualification of management, planning, and economic accountancy in the area of science and technology. Included in this is the effective

organization of the management principle on the basis of performance oriented wage policy. Within this framework the incomes of university and technical school graduates are again being raised in steps until 1990 and made variable based on performance. Also included is the creation of additional conditions, in particular for selection, assignment, and continued training of graduates in research and development, which takes into account the high performance requirement and their responsibility to society.

Above all conclusions for centralized state management and planning of science and technology rise from the economic position and responsibility of the combines. The Party Congress has granted orders accordingly. Further work on clear economic standards for scientific-technical work should therefore be directed chiefly to guaranteeing a rapid pace and increasing efficacy for the renovation process. Overall, the elaboration and presentation of sound economic standards are moving more strongly to the fore. Among these are the linking of the level of renovation with qualitative factors of intensification as a standard of efficacy for the renovation, standards for the quality designation "Q" and for formal high-tech performance, and also for future work with national economic accounting relative to expenditures and results.

In connection with that it is also important to provide the best possible economic conditions so that the combines can tend to their responsibility for the economically efficient development and application of the key technologies, for the creation of their own high-tech results of international quality and their best possible general economic utilization. In addition to the introduction of the renovation permit, a new organization concerning work with state orders is being prepared, which will more effectively take into account the high responsibility of the combines.

Likewise work is being done on additional suggestions and solutions, including among others:

- improved utilization of the possibilities of economic accountancy in science and technology for an even stronger joint economic interest of research and production in advanced results from science and technology and their best possible economic utilization;

- measures that even more effectively guarantee that in each combine science, technology, and investments are managed and planned as a uniform process, that the State Plan for Science and Technology is linked even more closely with the preparation and implementation of investments, that construction of the means of rationalization by the combines themselves is structured so that it becomes the focus of the most advanced technology and the primary vehicle of planned investment in equipment;

- additional steps to reliably guarantee that high-tech forces grow and are active in research and technology on an even larger scale and through whose qualified work true high-tech results are supported--the comprehensive incorporation of the young into the mastery of the scientific-technical revolution, in particular the further support of the work of the Young Researcher Collective, plays an essential role in this;

-measures to even more efficiently use the social working faculties of those employed in science and technology so that the latest scientific findings are more quickly applied and expensive research facilities are better utilized.

These are only some of the issues which reveal the wide range of creative work for the perfection of the management and planning of research and technology. This system which functions well and has been proven in practice is essentially based on the fact that careful examination is constantly being carried out to determine which additional steps in the perfection of socialist production relationships should be introduced, so that they give the dynamism of the productive forces adequate room in the interest of strengthening socialism and they themselves accelerate greatly. Thus there will also be no lack of newly generated issues in the future. The important thing is to focus on what is new, to actively and creatively search for the corresponding solutions, and even to make suggestions. That is the work style which corresponds to the new requirements for the implementation of the economic strategy and which we unconditionally set for ourselves.

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1987 ECONOMIC REGULATIONS: 'AGGREGATE EARNINGS' BASE

Budapest HETI VILAGGAZDASAG in Hungarian 29 Nov 86 pp 50-52

[Article by Gyorgy Rak and Andras Timar, Associates, National Planning Office (OTH): "Information Concerning Aggregate Wages"]

[Text] Effective next year, modified legal provisions will regulate [wages workers can earn] at enterprises [hereinafter "earnings," "wages" or "income."] These provisions were promulgated just recently. Experts had been anticipating these changes--their expectation was based on past experience. Initial opinions differ as to whether the changes represent a step backward or a step forward, as well as to the extent to which such changes are necessary in the present economic situation. It would appear though that the new rules resemble solutions contained in pre-1982 rules. These solutions were subject to substantial criticism.

The Jan 1985 regulatory changes concerning earnings were preceded by a broadly based debate. The aim was to find a solution that enhances the transformation of productivity, provides a rational basis for occupying the work force, and contributes to the improvement of economic efficiency--all part of an endeavour to modernize economic management. The [then] newly introduced regulation of earnings levels did not make use of productivity indexes, and did not relate to the previous base year. Rather than regulating incremental earnings, the provisions regulated the allocation of all earnings. [In 1985,] the regulation of incremental earnings remained in force in certain fields of the economy, nevertheless, although only temporarily, they remained in force in addition to the overall regulation of earnings levels and the central regulation of average income earned. Enterprises unable to cope with the regulatory burden of the new solution could opt for so called reinforced central regulations.

Experiences gained from the updated income regulations of 1985 were contradictory. The unfavorable phenomena persisted throughout 1986. The regulations nevertheless [had the effect of] increasing flexibility within enterprises and of providing a greater incentive for savings. At the people's economy level, however, the increase in efficiency did not correspond to the increased amount of wages paid. It was for this reason that beginning in

early 1986 economic management introduced more stringent measures, by increasing the enterprises' tax burden on stagnant levels of productivity, and by limiting the permissible amount of wages paid.

Generally speaking, the regulation of earnings did not result in increased productivity, did not bring about more rational [approaches] to human resource management, and did not result in more efficient operations. Needless to say, these anticipated results should be achieved by virtue of a comprehensive economic regulatory scheme, and not solely by virtue of earnings regulations. Enterprises were able to pay the prescribed wage taxes even in the absence of increased productivity. This then suggests that in spite of tight market conditions, and in spite of deteriorating conditions in foreign trade, the regulatory scheme as a whole lacked sufficient coercive force. It is for this reason that the scheme had failed to bring about a more rational wage management system, and had failed to create an improved internal incentive system.

REGULATORY MODELS PERTAINING TO LEVELS OF EARNING--
DISTRIBUTION AMONG DOMESTIC ENTERPRISES (1986)

| | Number of Enterprises | Number of Workers |
|----------------------------------|--------------------------|-------------------|
| | expressed in percentages | |
| Regulation of income levels | 53 | 49 |
| Regulation of incremental income | 9 | 6 |
| Central Regulation | 25 | 37 |
| Reinforced Central Regulation | 13 | 8 |

For all these reasons economic management found it necessary to once again modify the regulatory scheme pertaining to earnings. It did so in the framework of 1987 changes. The present aim is to harmonize production with wages paid, and to provide a strong incentive for workforce reduction to the extent that such workforce is superfluous and thus cannot be efficiently occupied. It is felt that these two objectives can be met jointly by changing a majority of the regulatory concepts, first by viewing "aggregate earnings" rather than "average earnings", and second, by strengthening the "aggregate" character of regulations pertaining to levels of earning.

The 1987 changes in earnings regulations are expected to provide short-term solutions for the restoration of harmony between productivity and the amount of wages paid, for the achievement of balance in purchasing power, and may give significant force to actions aimed at improving manpower utilization, and for other purposes.

The changes revert to some measures that had been sharply criticized in the past. These measures, however, are expected to effectively achieve a moderation in the rate of incremental earnings while achieving harmony between productivity on the one hand, and earnings on the other. Also, they will increase the interest in workforce reductions. Nevertheless, based upon past experience in the field of income regulation, one could say that a protracted linking of earnings to indexes, and a focus on base (data) through the incremental approach will have a leveling effect. The introduction of the

"aggregate" concept for the computation of wage taxes renders increases in the workforce within any given enterprise a distinct liability. At the same time, however, it also retards endeavours to expand the workforce, even if such endeavours relate to profitable activities. Here again endeavours to make adjustments in the comparable base will be on the increase. All these factors may be counter-productive in the achievement of increased efficiency.

**WAGE TAXES PAID BY ENTERPRISES
AS REFLECTED IN THE REGULATION OF INDIVIDUAL AGGREGATE INCOME**

| Annual Earnings of Workers (in Thousands of Forints) | TAX* | |
|--|-------------|-------------|
| | 1986 | 1987 |
| 0 - 36 | 10% | 15% |
| 36 - 48 | 3600 + 15% | |
| 48 - 60 | 5400 + 20% | 7200 + 20% |
| 60 - 72 | 7800 + 25% | 9600 + 25% |
| 72 - 84 | 10800 + 30% | 12600 + 30% |
| 84 - 96 | 14400 + 35% | 16200 + 35% |
| 96 - 120 | 18600 + 40% | 20400 + 40% |
| 120 - 144 | 28200 + 45% | 30000 + 45% |
| 144 - | 39000 + 50% | 40800 + 50% |

* Base tax rate in Forints + percent of
Annual Income payable in taxes.

A partial return to the old methods must be examined from yet another viewpoint. Consideration must be given to the issue of whether these old methods will hinder the modernization of the tax system which is part and parcel of the projected shoring up of the economic management system. A decrease in tax rate with respect to enterprise profits, and an increased tax rate applied to the ultimate users would make enterprises significantly more sensitive to profits and to budgetary matters. It would enable enterprises to retain a larger proportion of the profits. The difference between the presently substantial salaries-and-wages expense categories and the presently low non-personal expense categories would even out. This, in turn, would make it possible to reduce the number of "amendments" to rules governing wages--some other elements of economic regulation could deal with this subject. Beside a system of price caps and a wage taxation system that recognizes a lesser number of exceptions and subsidies, a personal income tax levied upon wages and earnings would also help bring about a situation in which earnings reflect values based on actual returns from prices charged--prices based upon achievements consistent with the idea of enterprise income production.

Workers do not really pay personal income taxes. They only appear to be doing so. In reality, personal earnings taxes increase those enterprise expenses that relate to live work and the provision of work. It is quite obvious that this system cannot be introduced in a manner so as to reduce the net income of workers. In later stages, due to the progressive nature of the tax, wage and wage-related expenses paid by enterprises would increase at a faster pace than the increases in net earnings. Wage and wage-related expenses must be recovered by the enterprises. This then could have a [beneficial] limiting effect upon the payment of wages for non-productive work and would channel

these resources to where they had been originally earmarked: for purposes of future development. For this reason the rather significant progressive tax burden on wages could be reduced (or perhaps eliminated). Wage regulation could thus become a balancing factor, serving the purposes of a reconciled wage policy that limits the unsupported competition in wages. This then could create new opportunities for the transformation of earnings ratios within primary work hours as compared to the "second economy," as well as within various trades. (Such transformation would also recognize the forces of supply and demand within the labor market.)

WAGE TAXES TO BE PAID BY ENTERPRISES IN
THE CONTEXT OF INCREMENTAL EARNINGS REGULATIONS

| Increase in earnings increments expressed in base period (pre- vious year) percentages. | Tax Rate | |
|--|---------------|---------|
| | In 1986 | In 1987 |
| 0 - 1 | 300 | 350 |
| 1 - 2 | 325 | 375 |
| 2 - 3 | 350 | 400 |
| 3 - 4 | 375 | 425 |
| 4 - 5 | 400 | 450 |
| 5 - 6 | 425 | 475 |
| 6 - | - | 500 |
| 6 - 7 | 450 | - |
| 7 - 8 | 475 | - |
| 8 - | 500 | - |

Both the modernization of the tax system, and the related, corresponding modifications in rules pertaining to wage regulation represent favorable conditions for the resolution of key problems that have persisted through years of debate with respect to the issue. The possible introduction of individual income taxation would not only be part of the effort to boost business organizations. It would also enable the simultaneous establishment of a unified, consistent, comprehensible and controllable system of taxation based upon the income of the population. These two effects are closely related. The [disposition of] individual earnings by enterprises cannot be [effectively] regulated without taking into account the consequential effects on individual income. After all, it is individual income that defines the permissible limits of action with respect to [the disposition of] enterprise income. Significant progress with respect to the regulation of earnings, including cessation of some known problems (e.g. production withholding, wage competition, base-comparisons) can only be made through the joint, harmonized regulation both of the wages paid by the enterprises and of sum totals of the earnings of enterprises. This would provide an opportunity for an extended-term, durable solution.

[Box, p 51]

For Example ...

Consistent with the precedent we have established last year and the year before last, when regulatory changes with respect to earnings were made, we

will once again present examples that demonstrate why it is not possible to calculate the amount of taxes an enterprise would have to pay after the total wages paid to its workers.

Assume an enterprise with 100 employees. The average earning of these workers during the base year is 60,000 Forints, apportioned as follows:

25 workers earn an average of 48,000 Forints,
 50 workers earn an average of 60,000 Forints,
 25 workers earn an average of 72,000 Forints.

Assume further that both the size and the composition of the workforce remains constant during the year, and that the increase in average income is 7 percent. To simplify things, let us assume that each worker receives a 7 percent raise. The added value covers the aforementioned increase in aggregate wages. (A 7 percent increase in aggregate wages means a minimum increase of 14 percent in added value. This is so because each percentage point increase in added value enables a 0.5 percent increase in wages.) In this example the taxes paid by the enterprise would differ under the various forms of income taxation:

Taxes Pursuant to Individual Aggregate Earnings Regulations

| No. of Workers | Avg. Earnings base yr | Ft/cpta exmpl. yr | Taxes paid after each worker | Total Taxes (Ft) (in thousands) |
|----------------|-----------------------|-------------------|--|---------------------------------|
| 25 | 48,000 | 51,360 | $7,200 + (3,360 \times 0.2) = 7,827$ | 196,8 |
| 50 | 60,000 | 64,200 | $9,600 + (4,200 \times 0.26) = 10,650$ | 532,5 |
| 25 | 72,000 | 77,040 | $12,600 + (5,040 \times 0.3) = 14,112$ | 352,8 |
| 100 | 60,000 | 64,200 | | 1,082.1 |

The enterprise must pay 1,082,000 Forints in taxes after the earnings of its employees. (Pursuant to the 1986 rules the same tax would be 902,000 Forints.)

Taxes Pursuant to Incremental Earnings Regulations

In this case taxes must be paid pursuant to the total increment in earnings at the enterprise level. In our example this amounts to 420,000 Forints.

| Incremental Earnings Brackets (Percent) | Tax Base (Thousand Ft-s) | Tax Rate (percent) | Tax (Thousand Ft-s) |
|---|--------------------------|--------------------|---------------------|
| 0 - 1 | 60 | 350 | 210 |
| 1 - 2 | 60 | 375 | 225 |
| 2 - 3 | 60 | 400 | 240 |
| 3 - 4 | 60 | 425 | 255 |
| 4 - 5 | 60 | 450 | 270 |
| 5 - 6 | 60 | 475 | 285 |
| 6 - 7 | 60 | 500 | 300 |

In this example the tax paid by the enterprise amounts to 1,875,000 Forints, as compared to 1,575,000 Forints in 1986.

Taxes Pursuant to Central Aggregate Earnings Regulations

In this repeatedly reintroduced regulatory scheme the aggregate earnings during the tax year (6,420,000 Forints) must not be compared with the actual aggregate earnings of the previous year (6,000,000 Forints), but rather with the centrally authorized base increased by 2 percent (6,120,000 Forints). Only an amount of 300,000 Forints that exceeds the amount of 6,120,000 Forints is subject to taxes. Since the excess exceeds 1 percent of the increased base, (it amounts to 4.9 percent of the increased base), [that portion of the 300,000 Forint excess] that exceeds 1 percent of the increased base [i.e. 238,800] will decrease the centrally authorized incremental rate of the aggregate earnings, up to a maximum of that amount [i.e. 238,000.] In our example we increased the base on these grounds by 120,000 Forints. Accordingly, considering a 1 percent taxable increment, the aggregate earnings would amount to 6,181,000 Forints. The actual aggregate earnings exceed this figure by 239,000 [238,800] Forints. For this reason the adjusted base must not be decreased by this amount, but rather by 120,000 Forints, the amount by which the base had been increased. The amount so derived corresponds with the aggregate earnings of the base year, i.e. 600,000 Forints. (The method of calculation will be different if the 1 percent excess is coupled with a simultaneous increase in the work force.)

| Incremental Earnings Brackets (Percent) | Tax Base (Thousand Ft-s) | Tax Rate (percent) | Tax (Thousand Ft-s) |
|--|-----------------------------|-----------------------|------------------------|
| 0 - 1 | 60 | 350 | 210 |
| 1 - 7 | 360 | 450 | 1620 |
| 7 | 420 | | 1830 |

The amount of taxes to be paid is 1,830,000 Forints.

Taxes Pursuant to Average Earnings Regulations

This regulatory scheme compares the average earnings during the tax year (64,200 Forints) to the centrally authorized base increased by 2 percent (61,200 Forints), and not to the previous year's average earnings (60,000 Forints.) Only the increments that exceed this standard are subject to taxes, nevertheless that portion of the taxable incremental earnings that exceed 1 percent will reduce the centrally authorized earnings increment. The amount of income taxes to be paid must be determined by using the adjusted base. The adjustment of the base takes place after the fact. In our example the increase in earnings as compared to the base that had been increased by 2 percent equals 4.9 percent. Considering the 61,200 Forint base, a 1 percent taxed earnings increment yields an average earning of 61,812 Forints. The actual average earnings exceed this figure by 2388 Forints. The 61,200 Forint

base would have to be reduced by this amount. Since the amount of 2388 Forints exceeds the centrally authorized incremental rate of adjustment, the amount of 61,200 Forints must be reduced to 60,000 Forints, which represents the average earnings during the base year.

In due consideration of this fact income taxes must be paid on the amount that exceeds the 60,000 Forint base-average earning (4200 Forints).

| Incremental Earnings Brackets (Percent) | Tax Base (Per capita Ft-s) | Tax Rate (percent) | Tax (Per capita Ft-s) |
|--|-------------------------------|-----------------------|--------------------------|
| 0 - 1 | 600 | 350 | 2100 |
| 1 - 7 | 3600 | 450 | 16200 |
| 7 | 4200 | | 18300 |

The tax payable by the enterprise amounts at 1,830,000 Forints. (Using the 1986 standards the amount would be 1,247,000 Forints.)

[Box, p 52]

Significant Changes

From among next year's changed wage regulations the most significant ones are detailed below.

Base Structure Modifications

* The functional regulatory system based on levels of earnings that provided a relative flexibility to internal wage management will be continued under the heading of "aggregate wage regulation". The term underscores the fact that the trend is in the direction of "aggregate wages." The outflow of enterprise earnings in the form of wages paid are being limited primarily through the imposition of taxes.

* The regulation of incremental earnings will henceforth concentrate on increments in aggregate earnings, rather than on increments in the average earnings, and will use a steeper rate of progression than before.

* The central regulation of average earnings continues in effect. Certain enterprises will be subject to a fourth scheme, one that centrally regulates aggregate earnings. Within these two regulatory schemes the centrally authorized general rate of increment is 2 percent. An additional 1 percent increase above that measure may be realized subject to the payment of a 350 percent tax. Beyond that additional 1 percent increase the tax rate is increased to 450 percent. Simultaneously that portion of the earnings increase that exceeds 1 percent will also decrease the centrally authorized rate of increase. Stated differently: if incremental earnings amount to 5 percent, the excess will consume the authorized 2 percent increment, making the entire 5 percent increase subject to taxes. (1986 taxes within the first bracket of 1 percent were set at a level of 300 percent.)

Changes in the Amended Regulations

* Surtaxes to be paid pursuant to rules governing individual aggregate earnings and incremental aggregate earnings will be more dependent on performance indicators, as measured by added value calculations. For each 1 percent increase in added value, aggregate earnings will increase by 0.5 percent over and above the prescribed base taxes, but without considering the 300 percent surtax. In the event that the added value decreases, the aggregate wages must also be proportionately decreased in order for the enterprise to avoid the 300 percent surtax.

* A 500 percent tax on average earning increments exceeding 10 percent will continue. A similar tax continues to be in force with respect to live work that cannot be justified.

* Exemptions pertaining to workers whose performance capacity had been reduced, and to outworkers are being extended to all forms of wage regulation.

* Beginning in 1987, the so called reinforced central regulatory scheme is no longer a choice. Each enterprise will have to follow an assigned regulatory model. Enterprises that had been categorized within the individual aggregate wage regulatory scheme beginning in 1987, may temporarily use the incremental earnings scheme, but only through 1987.

* In the interest of establishing an improved base, changes in earnings regulations may result in increased earnings during the course of this year. The reason for this effect is that once again the principle of a "base" comes into play. For this reason a part of the 1986 average earnings increment may be considered as part of the 1987 base. The part that may be transferred [from 1986 to 1987] consists of: a deterioration in the ratio of added value versus aggregate earnings, a more than 10 percent increase in average earnings subject to surtaxes, and increments that had been taxed under the central regulatory model, which at the same time decreased the centrally authorized rate of increments.

12995

CSO: 2500/111

LAW ON AGRICULTURAL, FOOD PLAN FOR 1987

AU161417 Bucharest SCINTEIA in Romanian 13 Dec 86 p 2

["Law on the 1987 Development Plan for Agriculture, Food Industry, Forestry, and Water Management of the SR of Romania"; adopted by the Grand National Assembly on 12 December in Bucharest]

[Text] The Grand National Assembly of the SR of Romania adopts the present law.

Article 1--The 1987 development plan for agriculture, food industry, and water management of the SR of Romania is adopted.

The major indexes for the development of agriculture, food industry, forestry, and water management are:

| No | Index | percentages, calculated on the basis of prices on 30 November 1986 Increase Compared to 1985 |
|----|--|---|
| 1. | Overall agricultural production | 5.5-6-5 |
| 2. | Net agricultural production | 8.0-9.0 |
| 3. | Industrial production goods | 7.0-8.0 |
| 4. | Production value of forestry units | 2.4 |
| 5. | Labor productivity calculated on the basis of commodity output value: | |
| | --in agriculture | 5.0 |
| | --in industry | 11.0 |
| 6. | Foreign trade volume | 8.0 |
| 7. | Reduction of expenditures per 1,000 lei of commodity output--lei: | |
| | --in state agricultural enterprises | 196.0 |
| | --in industry | 16.2 |
| 8. | Incomes of the peasantry, derived from work in agri- cultural production cooperatives and private farming | 1.8 |

Article 2--In order to fulfill the targets of the new agrarian revolution, attain the agricultural production envisaged in the plan and special programs, and firmly apply the principle of regional self-management and self-sufficiency, the Council of Ministers will see to it that the Ministry of Agriculture, the Ministry of Food Industry and Acquisition of Agricultural Products, the National Union of Agricultural Production Cooperatives, and Academy of Agricultural and Forestry Sciences, and the executive committees of the people's councils of the counties and of Bucharest municipality will take steps to:

- a) fulfill tasks on expanding agricultural and arable lands and strictly observe established deadlines for recovering and reclaiming lands for agricultural purposes from areas assigned to investment projects and other purposes;
- b) make complete and intensive use of the productive potential of the land stock, by ensuring that each owner makes full use of agricultural areas in accordance with their planned utilization, and continue land improvement and organization operations;
- c) introduce and expand the cultivation of the most productive strains and hybrids, produce and use biologically superior seeds, ensure an optimal plant density in keeping with the provisions of the law, fertilize and tend the crops at optimal times, prevent and combat plant diseases and pests, and carry out the necessary irrigation work on all areas equipped with irrigation systems, by seeing to it that all equipment is used rationally and that fuel and energy consumption is reduced;
- d) completely use agricultural lands assigned for secondary and rotation crops;
- e) harvest, transport, and store crops at the optimal time in order to cut losses to a minimum and ensure in time the necessary areas for preserving and storing products;
- f) develop animal breeding in the socialist sector of agriculture and in private farming by:
 - improving breeds and breeding, achieving the planned birth rates, and reducing losses to a minimum;
 - increasing average animal yields and strictly observing animal delivery weights stipulated in the plan;
 - increasing fodder yields per hectare and fodder yields on natural pastures and grazing woods by expanding melioration work in such areas; more extensively using bulk fodder and by-products and increasing their nutritive value;
 - further modernizing livestock complexes and farms by adopting inexpensive solutions, so as to ensure proper shelter and the necessary amount of water for livestock;
- g. Improve production and labor organization in all agricultural units, firmly apply the overall contract system, further improve labor norms, establish

manpower expenditures for each unit, increase responsibility for strictly applying production technologies and performing high-quality agricultural operations on schedule, and strengthen order and discipline;

h) increase the efficiency of economic activity in all state and cooperative agricultural units;

i) periodically train experts, machine operators, and other workers in agriculture with a view to ensuring that they thoroughly master the specific technologies for each crop, species, and animal breed; generally apply the experience of units that have been awarded the high title of Hero of the New Agrarian Revolution.

Article 3--The Ministry of Agriculture, the Central Union of Production, Procurement, and Marketing Cooperatives, the executive committees of the people's council of the counties and of Bucharest municipality, the county agricultural directorates, and the agricultural producers commissions will assist private producers with seeds and seedlings, valuable stud material, fodder, and technical aid and guidance in order to attain the largest possible vegetable and animal yields in accordance with the uniform program adopted.

Article 4--The Ministry of Food industry and Acquisition of Agricultural Products, the Ministry of Agriculture, the National union of Agricultural Production Cooperatives, the Central Union of Production, Procurement, and Marketing Cooperatives, and the executive committees of county people's councils will take steps to ensure that each county achieves its planned state stocks of agricultural products so as to be able to set up the centralized state stocks and the county consumer stocks.

Article 5--The Ministry of Food Industry and Acquisition of Agricultural Products, the Ministry of Agriculture, the Central Union of Production, Procurement, and Marketing Cooperatives, and the executive committees of the people's councils of the counties of Bucharest Municipality will take steps to make full and better use of agricultural raw materials in the food industry and to utilize to capacity the existing production facilities. The range of foodstuffs will be further diversified in accordance with requirements of a rational diet.

Article 6--Investments in agriculture, food industry, forestry, and water management will be mainly designed for completing projects begun in former years and for attaining the targets envisaged in the 1987 programs on improving the organization and modernization of production processes and in other programs for these sectors of activity.

In order to attain the planned investment projects, steps will be taken to:

a) ensure studies and the technical-economic documentation for new projects;

b) implement investment projects on the basis of standardized technologies and blueprints; further cut back on metal, cement, and other intensive energy-consuming materials; make large-scale use of local materials; and utilize other reusable materials;

c) put into operation--on schedule--investment projects in agriculture, food industry, forestry, and water management by ensuring a smooth and steady activity on worksites, guaranteeing equipment deliveries in accordance with planned execution deadlines, observing schedules for technological and mechanical tests, and training in good time the necessary manpower for properly exploiting the new production capacities.

Article 7--The Council of Ministers will take steps so that--under the coordination of the National Council of Science and Education--the Ministry of Agriculture, the Ministry of Food Industry and Acquisition of Agricultural Products, central departments, enterprises, central institutions, the Academy of Agricultural and Forestry Sciences, and scientific research, technological engineering, and design units in cooperation with the National Committee of Science and Technology, the State Planning Committee, and the Ministry of Technical-Material Supply and Control of the Management of Fixed Assets, will ensure that scientific research increases its contribution by:

- a) working out new technologies to restore and increase the productive potential of eroded, sandy, and saline soils; perfecting soil fertilization and preparation methods; and organizing optimal crop rotation systems;
- b) creating new strains and hybrids of seeds and seedlings of better quality and higher productive potential, that are resistant to low temperatures, drought, other unfavorable environmental conditions, diseases, and pests;
- c) working out methods and technologies to fully combat plant diseases and pests in order to reduce the use of chemical substances and the polluting effects on agricultural products;
- d) improving animal breeds to increase their productive potential; developing new technologies to better capitalize on the fodder base, including the use of new resources; reducing the specific consumption of fodder; markedly increasing production on pastures and natural hayfields; and establishing more efficient methods to prevent diagnose, and treat diseases;
- e) introducing into the economic flow new and nonconventional resources of raw materials by fully using agricultural raw materials and creating products and processed products with a high nutritive value that can ensure rational nutrition in keeping with scientifically substantiated norms;
- f) improving manufacturing technologies in the sugar, meat, and tobacco industry in order to reduce energy consumption, product foodstuffs rich in proteins and vitamins, and cut down the content of chemical substances and harmful chemical and microbiological ingredients;
- g) increasing the efficiency of sugar extraction from sugar beet, the efficiency of processing other agricultural raw materials;
- h) ensuring a faster application of scientific-research results in the production process, in order to obtain superior yeilds, both quantitatively and qualitatively.

Article 8--In order to fulfill the tasks and goals of the national plan for the conservation and development of forestry resources, the Ministry of Silviculture will take steps to:

- a) protect, conserve, and develop forestry resources by strictly observing approved felling quotas;
- b) increase the productive potential of woods, judiciously administer timber resources, and combat waste;
- c) regenerate woods and improve poorly productive ones, carry out reforestation work, and preserve valuable domestic species;
- d) improve the protective functions of forests;
- e) increase the harvesting and better utilization of forest fruit, natural resources, and other by-products and develop game and fishing in mountain waters.

Article 9--In the water management sector, steps will be taken to:

- a) improve the waters network in keeping with the approved program in order to meet requirements for drinking water and industrial waters, irrigations, electrical energy, and so forth;
- b) increase the recycling rate of industrial waters, cut back losses to a minimum, recover useful ingredients from used waters, and make use of residual muds;
- c) administer and preserve water quality, by combating all sources of pollution.

Article 10--In order to increase the efficiency of the foreign trade sector, steps will be taken to attain the planned supply of goods for export, by specializing production facilities and enterprises that will exclusively or, for the most part, ensure the variety and quality of goods required by foreign partners as well as a steady increase in the hard currency revenues of products; likewise, steps will be taken to make the most effective use of foreign currency funds allocated for imports, by giving priority to domestic raw and other materials, fuel, machines, and equipment, reduce hard currency expenditures on goods transportation, and conclude and expand economic cooperation ventures with other countries.

Article 11--In 1987 special emphasis will be placed on increasing economic efficiency in all sectors of agriculture, the food industry, forestry, and water management, on markedly raising labor productivity and reducing production costs, on firmly applying the programs to improve the organization and modernization of production processes, economic-financial regulations, and cost limits per product, and on utilizing all resources with maximum efficiency.

Article 12--The indexes of the 1987 plan for the development of agriculture, the food industry, forestry, and water management of the SR of Romania as well

as the measures to implement the programs on improving, organizing, and modernizing production processes will be specified for each plan holder in a State Council decree.

Article 13--The Council of Ministry, the Minister of Agriculture, the Ministry of the Food Industry and the Acquisition of Agricultural Products, the Ministry of Silviculture, the National Council of Waters, economic departments and general directorates, central departments, enterprises, and the executive committees of county people's councils and of Bucharest Municipality are responsible for the overall fulfillment of the provisions of the 1987 plan for the development of agriculture, food industry, forestry, and water management of the SR of Romania.

/12232

CSO: 2700/92

CONSUMER GOODS SELF-SUPPLY PROGRAM FOR 1987

AU171458 Bucharest SCINTEIA in Romanian 14 Dec 86 p 2

["Program for Self-Management and Self-Supply to Ensure the Appropriate Supplying of Agricultural Products and Foodstuffs, and Industrial Consumer Goods to the Population for the Period 1 October 1986-30 September 1987," adopted by the Grand National Assembly on 12 December]

[Text] The Program for Self-Management and Self-Sufficiency To Ensure Consumer Supplies of Agricultural Produce and Foodstuffs, and Industrial Consumer Goods has been formulated in conformity with the 13th RCP Congress decisions and with the guidelines and recommendations of Comrade Nicolae Ceausescu, party secretary general and president of the republic, with a view to achieving outputs and ensuring proper supplies for the people.

The program is part and parcel of the measures aimed at perfecting the organization and leadership of activities in industry and agriculture in keeping with tasks put forward by the party secretary general and with the decisions adopted by the third congress of the working people and the congress of the peasantry and working people in agriculture and other areas.

The implementation of the targets of the new agrarian revolution which were masterfully formulated and substantiated by Comrade Nicolae Ceausescu, party secretary general, the intensive development of the vegetable agricultural production and of livestock, and the large yields achieved in 1986 create favorable conditions for an increasingly pronounced contribution by agriculture, as a basic branch of the national economy, to the country's general progress and to ensuring the well-being of all people.

I. On Agricultural Products and Foodstuffs

The program aims at ensuring proper supplies for the people on the basis of achieving planned outputs and strictly observing the provisions of the law on securing primarily the centralized state supply and the county supply; responsibility for completely fulfilling these tasks and for abiding by the quantities established for private consumption rests with the people's councils as regional self-management bodies.

To implement this program, the Ministry of Food Industry and Acquisition of Agricultural Products, the Ministry of Agriculture, the people's councils, and

state and cooperative agricultural units shall take measures to fulfill vegetable and animal production in keeping with requirements of the new agrarian revolution, to ensure deliveries to the state, and make better use of available privately grown agricultural products in keeping with tasks put forward by the uniform program for increasing agricultural yields on private farms.

The quantities of agricultural products proposed for marketing are based on the requirements of the program for scientific nutrition, differentiated according to population structure, to activity performed in the production process, and to local characteristics, also taking care to judiciously manage and make better use of the amounts of agricultural products and foodstuffs intended for the market.

The following quantities of food staples are envisaged:

1. Meat, Fish, Milk, and Other Animal Products

| | | <u>Program</u> | |
|--|-------------------------|-----------------------|-----------------------|
| | | <u>Fourth Quarter</u> | <u>Quarters I-III</u> |
| | | <u>of 1986</u> | <u>of 1987</u> |
| Meat and meat products | Thousand metric tons | 194.8 | 580 |
| of which: | | | |
| --Slaughtered meat and live fowl (in terms of weight) | " " | 95.8 | 290 |
| --Meat products | | | |
| of which: | | | |
| --Processed meat | " " | 80.6 | 214 |
| --Prepared food | " " | 12.2 | 50 |
| --Canned meat | " " | 6.2 | 26 |
| Fish and fish products | " " | 49.3 | 124 |
| Food products including | | | |
| meat and fish | " " | 51 | 200 |
| --from industry | " " | 12.2 | 50 |
| --from trade | " " | 38.8 | 150 |
| Milk and fresh milk products | Thousand hectoliters | 1,710. | 6,500 |
| Cheeses | Thousand metric tons | 16.5 | 46 |
| Butter | " " | 6 | 20 |
| Eggs | per thousand | 625 | 2,120 |

Measures will be taken to set up new annex farm of public catering and collective consumption units, to develop existing ones, and to increase livestock and completely utilize local resources.

In industry it is envisaged to increase the amounts of meat products, that is, to achieve a wide range of processed products to facilitate work at home. For the entire period of the program, 294.6 thousand metric tons of meat products will be marketed, as well as 62.2 thousand metric tons of prepared food.

Likewise, in keeping with the program for developing the production of prepared food, public catering units and canteens shall provide 188.8 thousand metric tons of prepared food consisting of meat, fish, and vegetables suitable for serving at home for the entire period of the program, so that industry and trade will provide a total of 251,000 metric tons of prepared foods, equaling 360 million meals per year. Measures shall be taken to diversify the range of cooked meals, precooked meals, ground meats, pureed food, soups and borscht, processed fish products, pastries and pies, and other foods that will ensure a selection of varied and complete meals, including dietetic meals. Likewise, action shall be taken to develop the network of trade outlets for prepared food in department stores, order-taking units, canteens, and in specialized public catering units, thus contributing to better and civilized supplies for our people.

Bucharest Municipality shall ensure the production and sale of more than 225,000 cooked and precooked meals per day (that is 69 million meals per year) by using for this purpose both food industry units and public catering and collective consumption units.

For the entire period of this program, large quantities, 173,300 metric tons of fish and fish products, including 108,500 metric tons of fresh and frozen fish and 64,800 metric tons of canned and semi-canned fish shall be sold to the people.

The Ministry of the Food Industry and the Acquisition of Agricultural Products and the Ministry of Agriculture shall take action to increase fish production from waters throughout the country and from the Black Sea, and the amount of valuable fish varieties from ocean fishing. At the same time, the variety range and quality of processed fish products shall be improved by strictly observing manufacturing technologies and recipes.

Concerning milk and milk products, processing units shall pay particular attention to improving and diversifying the product range of foodstuffs for children.

In order to properly manage milk resources in deeping with consumer needs, the people's councils shall adjust monthly the structural range of deliveries of milk products, within the limit of planned quantities of milk for the market.

2. Vegetable and Animal Fats

-Thousand metric tons-

| | <u>Program</u> | |
|------------|-----------------------------------|---|
| | <u>Fourth Quarter of 1986</u> | <u>First-Third Quarters of 1987</u> |
| Edible oil | 60 | 155 |
| Pork fat | 7.6 | 23 |
| Margarine | 8.3 | 19.9 |

Edible oil sales per capita are at the level of those envisaged for 1986. Larger amounts of pork fat shall be used in public catering and collective consumption units.

3. Sugar, Sugar Products, and Pastries

-Thousand metric tons-

| | <u>Program</u> | |
|-----------------------------|-----------------------------------|---|
| | <u>Fourth Quarter of 1986</u> | <u>First-Third Quarters of 1987</u> |
| Sugar | 87 | 255 |
| Sugar products and pastries | 147 | 419.7 |

The Ministry of the Food Industry and the Acquisition of Agricultural Products shall take measures to increase the production of pastries with various fillings, to improve the quality and appearance of sugar products, and to observe the manufacturing technical norms by paying particular attention to products for children.

4. Wheat for Bread and Flour, Corn for Corn Meal, and Other Grain Products

-Thousand metric tons-

| | <u>Program</u> | |
|---------------------------|-----------------------------------|---|
| | <u>Fourth Quarter of 1986</u> | <u>First-Third Quarters of 1987</u> |
| Wheat for bread and flour | 625 | 1,875 |
| Corn and corn for meal | 130 | 310 |
| Pasta products | 23 | 60.5 |
| Biscuits | 28.5 | 72.5 |
| Husked rice | 24 | 62 |
| Pearl barley | 5 | 25 |

In establishing the quantities of wheat and corn envisaged for sale by this program, account was taken of the people in cities and workers centers, of commuting working personnel and personnel holding jobs in communes, as well as of people living in hilly and mountainous areas where no grains are grown, who contract and deliver vegetable and animal products.

Cooperative members who are active in agricultural production cooperations located in grain-growing areas and the family members in their care and pensioners or other cooperative members unable to work shall receive their supplies of bread, flour, and corn meal from agriculture production cooperatives, that is from the quantities envisaged for labor remuneration. Agricultural cooperatives shall supply cooperative members and mechanizers working for agricultural cooperatives with bread and flour in keeping with the quantities of wheat due to them as payment in kind for the number of days they worked by using for this purpose bakeries and mills in the respective communes.

5. Vegetables, Potatoes, Fruits, and Grapes

| | -Thousand metric tons- | |
|---------------------------|---|------------------------------------|
| | <u>Program</u> Fourth Quarter of 1986 | First-Third Quarters of 1987 |
| Potatoes--overall | 425 | 675 |
| of which: | | |
| --Fall potatoes | 425 | 470 |
| --New and summer potatoes | -- | 205 |
| Field vegetables | 535 | 980 |
| Navy beans | 14 | 25 |
| Fruits | 135 | 250 |
| Grapes | 60 | 79 |

To ensure proper supplies of vegetables, fruits, and potatoes for the people, the Ministry of Agriculture and the Ministry of the Food Industry and Acquisition of Agricultural Products shall take measures to guarantee their delivery to the state, their effective transportation to markets and trade outlets, and a greater control over sorting, storing and delivery of those products, while the Ministry of Domestic Trade shall act to expand and modernize trade outlets and ensure a civilized trade.

To ensure supplies until the new crop is available, the following quantities should be stored in silos for the market

-Thousand metric tons-

31 December 1986

| | |
|------------------------|-----|
| Fall potatoes | 300 |
| Field vegetables | 162 |
| of which: | |
| --onion | 55 |
| --root vegetables | 60 |
| --cabbage | 30 |
| Navy beans | 23 |
| Fruits and grapes | 193 |
| of which: | |
| --apples | 184 |
| --grapes | 7 |
| Semiprocessed products | 20 |

The following quantities of canned vegetables, fruits and tomato paste are envisaged for sale:

-Thousand metric tons-

| | Program | |
|-------------------|---------------------------|-----------------------------------|
| | Fourth Quarter of 1986 | First-Third Quarter of 1987 |
| Canned vegetables | 75 | 120.7 |
| Tomato paste | 12 | 16 |
| Canned fruits | 24 | 59.5 |

To supplement the domestic commodity supply, certain imported products (lemons, oranges, grapefruit, olives and so forth) shall be sold in keeping with plan provisions.

II. On Industrial Products

To ensure proper supplies for the people, appropriate quantities and a great variety of new commodities characterized by a higher qualitative and technical standard have been secured.

Textiles and Footwear

The following basic items are envisaged for sale:

Fourth Quarter of 1986
First-Third Quarters of 1987

| | | |
|--|-----------------|--------|
| Lightweight coats, waterproof raincoats and windbreakers | Thousand pieces | 2,040 |
| Winter coats and overcoats | " " | 3,100 |
| Winter and summer dresses and dressing gowns | " " | 5,085 |
| Shirts and sports jackets--overall | " " | 15,550 |
| Trousers--overall | " pairs | 3,800 |
| Blouses and skirts--overall | " pieces | 2,550 |
| Knitwear for newborn babies | " " | 19,700 |
| Knitwear for winter and summer | " " | 53,300 |
| Fall-winter and spring-summer footwear | " pairs | 50,700 |

The program envisages increases in all products and especially in the variety of items for newborn babies, children and youth, in summer knitwear items, in lightweight coats, raglan-sleeved coats, windbreakers, winter coats, trousers, dresses, blouses, skirts which will be manufactured in new fashion patterns and models.

The Ministry of Domestic Trade together with the Ministry of Light Industry and the small-scale industry units shall take measures to increase the delivery and sale of readymade garments, to better utilize domestic raw materials and recyclable materials, and to manufacture and deliver commodities specific to the various seasons.

At the same time, action shall be taken to fulfill the production plan and ensure deliveries to the market according to quality levels in keeping with plan tasks by manufacturing new products with a high level of processing, manufacture, finishing, and design, so as to meet the requirements of various categories of buyers.

Durable Goods, Household Items and Appliances, and Other Industrial Commodities:

The following quantities of basic products are envisaged to be sold:

Fourth Quarter of 1986
First-Third Quarter of 1987

| | | |
|-----------------|-----------------|-----|
| Radio sets | Thousand pieces | 471 |
| Television sets | " " | 224 |

| | | |
|---|----------------------|-------|
| Washing machines | Thousand pieces | 255 |
| Sewing machines | " " | 47 |
| Refrigerators | " " | 196 |
| Cooking stoves and solid-fuel heating stoves | " " | 189 |
| Gas-fueled stoves and portable stoves | " " | 148 |
| Furniture | Million lei | 5,960 |
| Toys | " " | 1,540 |
| Household chinaware, earthenware and crockery | Million pieces | 72.5 |
| Detergents | Thousand metric tons | 69.9 |
| Soap--overall | " " " | 22.4 |

New products will be manufactured characterized by a better technical-operational standard and by better design, while some of the existing products will be modernized so as to improve their quality and durability.

Concerning agricultural and household tools and equipment and materials for the maintenance and repair of housing, the available goods stock ensures proper supplies for the people in cities and villages.

Concerning solid fuels, a further increase in the share of coal in people's supplies is envisaged.

Fourth Quarter of 1986
First-Third Quarters of 1987

| | | |
|----------------------|----------------------|-------|
| Solid fuels--overall | Thousand metric tons | 4,200 |
| of which: | | |
| --Coal | " " " | 2,450 |
| --Firewood | " " " | 1,750 |

Concerning oil, 16,000 metric tons will be sold in the fourth quarter of 1986 and 22,000 metric tons in the first quarter of 1987; 62,000 metric tons of liquid gas in the fourth quarter of 1986 and 57,000 metric tons in the first quarter of 1987.

Concerning medicines, the program incorporates the necessary quantities to preserve the people's health.

The Ministry of Health shall pursue the judicious regional allocation of the proper range of pharmaceutical products and the medical staff shall organize

actions to combat abuse of medicine and to see to it that natural remedies for curing diseases are promoted to a greater extent and that medical treatment is carried out according to medical prescriptions.

III. Measures to Implement this Program

--Each month the Council of Ministers will monitor and examine how the ministries and people's councils fulfill production tasks and deliveries to the market of all agricultural products, foodstuffs, and industrial products envisaged in the program for regional self-management and self-sufficiency and will exercise constant supervision over the activity carried out by central and local bodies to fulfill their tasks.

--The Ministry of Agriculture and the Ministry of the Food Industry and the Acquisition of Agricultural Products, together with people's councils, are to take steps to increase livestock and vegetable production in state and cooperative units, and in people's private farms to increase the number of livestock, improve its fodder base, and to completely and effectively make use of arable land and grasslands, orchards and vineyards in order to ensure a smooth and complete delivery of products to the state in keeping with plan provisions for each country with a view to setting up the central state supply and meeting their own consumption requirements.

Likewise, the Ministry of Agriculture, the Ministry of the Food Industry and the Acquisition of Agricultural Products, the Central Union of Production, Procurement, and Sales Cooperatives, and the people's councils are to take very firm action--in keeping with the law--to increase contracting and procurement of agricultural produce and foodstuffs from people's private farms.

--In keeping with the law, the people's councils are fully responsible for the fulfillment of all their tasks in connection with deliveries of meat, milk, vegetables, fruits with a view to setting up the state supplies.

The people's councils shall formulate programs for self-management and self-sufficiency for each regional-administrative unit, including tangible tasks for the production and delivery of goods to the state; they shall take measures to ensure the achievement of all planned supplies for the people on schedule from the yields attained in each county and to meet the other requirements of the national economy.

--To improve supplies for Bucharest Municipality and some workers centers, the Ministry of the Food Industry and the Acquisition of Agricultural Products will see to it that the agricultural units whose duty it is to ensure supplies for these localities will deliver all planned quantities of meat, milk, vegetables, potatoes, and fruits.

--The Ministry of Domestic Trade, the Ministry of Tourism, the Central Union of Production, Procurement, and Sales Cooperatives, and people's councils shall take further steps to develop production in annex farms attached to public catering and collective consumption units of socioeconomic enterprises in order to increase their contribution to meeting their own needs for meat, vegetables, and other products.

- The Ministry of the Food Industry and the Acquisition of Agricultural Products, the Ministry of Agriculture, the Ministry of Domestic Trade, the Central Union of Production, Procurement, and Sales Cooperatives, the Ministry of Tourism, and the people's councils shall act to ensure the implementation of the provisions of the program endorsed in connection with increasing the production of the small-scale food and culinary industry and with a view to expanding the sale of cooked and pre-cooked meals to the people.
- The Ministry of Domestic Trade, together with the producing ministries, the State Planning Committee, and the people's councils shall take steps to ensure a judicious regional distribution of commodities envisaged by the program according to population structure, by paying particular attention to ensuring proper supplies for Bucharest Municipality, workers centers, mining, oil, and forestry areas, and to large worksites and balanced supplies per capita and county as compared with the average supplies throughout the country.
- The Ministry of the Food Industry and the Acquisition of Agricultural Products and the Ministry of Domestic Trade, together with the people's councils, shall take steps to ensure the planned quantities of potatoes, vegetables, and fruits on schedule and to properly sort out and preserve these products.
- The Ministry of the Food Industry and the Acquisition of Agricultural Products and people's councils shall set up a permanent supply of meat--within the approved quantities--for Bucharest Municipality and the counties to ensure a continuity in supplying the people.
- The Ministry of Domestic Trade, the State Planning Committee, and people's councils shall take steps to properly organize trade in markets and fairs by strictly applying legal provisions on the sale of agricultural produce and foodstuffs by private producers, observing maximum market prices, and by ensuring quality products and hygiene standards.
- The Ministry of Domestic Trade, the Ministry of Tourism, the Central Union of Production, Procurement, and Sales Cooperatives, and people's councils shall take measures to properly organize trade and public catering at the seaside and in spas in accordance with the special program that will be formulated for the summer holiday season.
- The ministries producing industrial consumer goods shall take steps to completely fulfill production tasks and ensure that trade units are properly supplied with the commodities envisaged in the program by observing planned quality norms in keeping with special programs endorsed for branches and groups of products.
- The Ministry of Mines, Petroleum, and Geology and the Ministry of Wood Processing and Construction Materials shall ensure the full delivery--upon schedule--of the quantities of coal and firewood envisaged by the program with a view to ensuring proper supplies of fuel to the people.
- The Ministry of Domestic Trade and the Central Union of Production, Procurement, and Sales Cooperatives shall constantly act to ensure proper supplies and

a proper organization of the sale of industrial products through trade outlets in cities and villages and the further specialization and modernization of department stores.

--The Ministry of Transportation and Telecommunications, together with the Ministry of the Food Industry and Acquisition of Agricultural Products, the Ministry of Domestic Trade, and the Central Union of Production, Procurement, and Sales Cooperatives shall ensure the effective transportation of agricultural products, food stuffs, and industrial goods, thus eliminating any losses and depreciation.

--The Ministry of Domestic Trade, the Ministry of Tourism, the Central Union of Production, Procurement, and Sales Cooperatives, the other ministries with a trade network, and the people's councils, together with bodies of the State General Inspectorate for Product Quality Control, shall act to increase demands in regard to the quality of goods delivered, strengthen order and discipline in each trade unit, and ensure that all personnel observe trade rules and the norms of socialist ethics and equity in their dealings with customers.

--The council for coordinating the production of consumer goods, supplies, and services to the people, together with the ministries in charge of production and trade activity shall examine monthly the implementation of the program provisions, take effective steps to ensure appropriate consumer supplies and goods sales, and report to the Council of Ministers on how the necessary supplies for the people are ensured.

The fulfillment of the provisions of the self-management and self-supply program for proper supplying of agricultural products, foodstuffs, and industrial consumer goods to the population requires the participation of all working people in industry and agriculture in increasing yields and improving product quality and in strengthening the responsibility of people's councils and of all economic units for ensuring proper supplying to the population, thus contributing to the implementation of the 13th Party Congress decisions and of the guidelines and recommendations made by Comrade Secretary General Nicolae Ceausescu with a view to improving the standard of living of the whole people--the supreme goal of the RCP policy.

/12232

CSO: 2700/92

EUROPEAN FUND FOR REINTEGRATING EMIGRE WORKERS

Belgrade BORBA in Serbo-Croatian 7 Nov 86 p 4

[Unsigned article: "Business from Imports"]

[Text] The European Reintegration Fund has approved 35 million dollars of credit for Yugoslavia in 1986 and 1987 to bolster employment. If projects are approved, about 10,000 workers could find work.

(Belgrade, 6 November, Tanjug). The first foreign loans to speed up employment in Yugoslavia, taken from the European Economic Fund for Reintegration, will be allocated, most probably as early as December, to a large number of labor organizations in the underdeveloped areas of the country from which there has been heavy emigration.

The European Reintegration Fund has approved 35 million dollars in credit for Yugoslavia for 1986 and 1987 in order to increase employment. In October, the SFRY Assembly ratified the agreement between the Federal Executive Council and the European Fund. Negotiations are being completed in the Federal Labor Committee on allocation of this credit to individual republics and provinces.

These funds are expected to be disbursed by the end of the year, and implementation of part of the 50 economic projects in all the republics and both provinces competing for these loans is to begin. The projects are now at the Strassburg headquarters of the Reintegration Fund of the European Council. According to Stipe Tadic, assistant secretary of the Federal Labor Health, and Social Welfare Committee, the projects have been given a very positive rating at the headquarters.

If the projects are approved and carried out, around 10,000 workers could find employment. This is a matter of great importance in view of Yugoslav circumstances and needs.

Of course, these 35 million dollars are not enough to finance all 50 projects. There is hope for receiving the funds which Yugoslavia has asked from the countries in which Yugoslav workers are employed. According to Tadic, this money would be earmarked for employment of Yugoslav workers returning from temporary work abroad.

The projects received are for the most part in the metalworking, textile, leather goods, and woodworking industries. A smaller number are in the agroindustrial complex, the electric industry, the tobacco industry, and processing of non-metallic substances. At 1985 prices, the value of basic equipment (machinery) per job in these projects ranged from 300 million dinars in the textile industry to 900 million in the metalworking industry.

6115/12851

CSO: 2800/52

JOZEF STEFAN INSTITUTE'S WORK IN RESEARCH, PRODUCTION

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 7 Nov 86 p 4

[Article by Zdravka Cicmirko-Pokrajcic: "Manual Labor in Demand"]

[Text] In addition to its own research, the Jozef Stefan Institute in Ljubljana also does much work commissioned by the economic system.

It is unusual for a production labor organization to be founded by a scientific institute. Consequently, it may freely be said that the signing of a contract between the Jozef Stefan Institute in Ljubljana and Domzale Opstina on formation of a labor organization for production of equipment and components for electric energy conservation in factory shops sets a precedent in Yugoslav economic practice. Production at this single factory situated near Ljubljana and currently employing 10 or so engineers, including doctors of science educated at the institute, will begin in January 1987.

The equipment and components will be made mostly by hand. As we are told by Dr Tomaz Kalin, director of the Jozef Stefan Institute, in an age of robotization and technological and technical competition, handmade equipment and components forming a single unified system sell best on the foreign market. According to Dr Kalin, while we in Yugoslavia, for example, take 60 seconds to produce a particular component, in a very short time Japan will be able to produce the component in 30 seconds, and this naturally gives Japan a competitive edge. Consequently, we obviously are unable to compete with the Japanese and many other developed countries on the world market because of the level of technological development and equipment of Yugoslav industry. Manual production of components and systems is important in selling Yugoslav technological accomplishments on the foreign market. Such production is in effect the small-scale industry that we have depreciated for years now.

Cooperation with the Economic System

In addition to the systems for automatic control of electric power consumption and for reducing consumption by disconnecting less important loads or by using independent power sources, power consumption can also be lowered through optimum control by means of internal heat supply sources. This is accomplished with the TEM-500 (optimum energy microcomputer) system developed by specialists of the Jozef Stefan Institute for the needs of and in

cooperation with the Metalna and TAM (Automobile and motor Factory) labor organizations in Maribor and Djuro Salaj in Krsko. The experiments conducted thus far have shown that the amount of electric power consumed can be reduced on the average by 20 percent by applying this system.

The Jozef Stefan Institute, established 36 years ago, very rapidly established links to the economic system, along with 2 other institutes, the Vinc in Belgrade and Rudjer Boskovic in Zagreb, which engage in research in the area of nuclear energy and its application for peaceful purposes. There is hardly a major labor organization in Slovenia today that does not have links to the Jozef Stefan. In addition to research of its own, the institute devises new technological processes on commission by the economy. In 1985 it signed 175 contracts with economic organizations. Most of them naturally have been signed with Iskra, whose experts have been collaborating with scientists at the institute for almost 20 years in liquid crystal research and applications and in research on ceramics and their applications in the electronics industry. Together with Energoinvest in Sarajevo, the institute in Ljubljana has done research on synthesis and the properties of impact-resistant engineering ceramics and on analysis of technological parameters for development of materials for electric contacts. Energoinvest is one of the rare labor organizations in another area of the country with which the institute cooperates closely because its operation is oriented primarily toward the economy of Slovenia and because the institute can easily be said to be the center of learning of the republic.

Exchange of Knowledge with Foreign Institutes

The Natural Science and Technology Center was established last year together with partners in industry. According to Kalin, it is a place where institute researchers and industrial workers concerned with development work together in joint laboratories.

In 1985 the institute invested 441,829,877 dinars in new and additional equipment. The new building in which funds of the Slovene economy have been invested is being erected in the courtyard. When it is completed next year, it will be able to accommodate more specialists employed directly in production, including a hundred or so young research workers under the program for training 2,000 young researchers by the year 2000.

The institute cooperates very smoothly with allied institutes. In 1985, 51 employees of the institute underwent advanced training as specialists at institutes in the United States, the FRG, the USSR, and other countries, and 88 specialists from these countries spent time in Ljubljana. Consequently, there is very good exchange and addition of knowledge with other countries. According to Kalin, this is something that cannot be said of cooperation with related Yugoslav institutes and their scientific personnel. Aside from the Rudjer Boskovic Institute in Zagreb, the institute in Ljubljana has no close contacts with other institutes such as the Vinc. Nor does it have links to labor organizations. According to Kalin, this is because Belgrade is far from Ljubljana and it is difficult to establish cooperation.

So it comes about that Washington, New Orleans, Minsk, or Kiev, for example, are closer to Ljubljana than is Belgrade. Kalin's idea of distance by no means coincides with that of this writer, but it probably does harmonize with that of other institutes and organizations in Belgrade.

6115/12851

CSO: 2800/52

MILITARY

GERMAN DEMOCRATIC REPUBLIC

BRIEFS

MILITARY BUDGET UP ONE BILLION--Bonn--According to the publication INFORMATIONEN issued by the Federal Ministry of Intra-German Relations, the GDR will spend M1 billion more for its armed forces than in 1986. The expenditures allocated in the GDR's 1987 draft budget for the "National People's Army" amount to M15.14 billion. However, those expenditures do not constitute the total costs of the GDR military. The expenditures for the GDR border troops, for the maintenance and continuing expansion of the barriers along the demarcation line must be added. They amount to another M4.3 billion, so that the GDR's total military budget next year will be M19.4 billion. [Excerpt] [Bonn DIE WELT in German 29 Dec 86 p 4] /8309

CSO: 2300/125

SOVIET DELEGATE AT INTERNAL MINISTRY DWELLS ON USSR MILITIA

Sofia NARODEN STRAZH in Bulgarian 5 Nov 86 pp 1,4

[Article by Lieutenant General Nikolay Tsigannik, USSR Interior Ministry delegate to Bulgarian Ministry of Internal Affairs: "Stages on the Great Journey"]

[Text] The great socialist October revolution, the 69th anniversary of which the Soviet people and all progressive mankind are now commemorating, was a turning point in world history and a harbinger of a new era in human life. The revolution marked the beginning of an irreversible process, replacement of capitalism by a new socioeconomic formation. It paved the way to a world without exploitation of man by man, a world of brotherhood and solidarity.

The Bolshevik party emerged triumphant from the fierce struggle with the old views and concepts, customs, and traditions.

As its legacy to the young Soviet republic, tsarism left not only ruin, many centuries of poverty, hunger, and illiteracy, but also a professional criminal element that made the internal situation much more complicated. Resolute measures had to be taken to introduce order and strengthen socialist legality, and such measures were indeed taken. On 28 October (10 November) 1917, the People's Commissariat of Internal Affairs issued a resolution establishing a workers' militia whereby under all councils of workers' and peasants' deputies.

The resolution had the force of law in creating a law enforcement agency in the Soviet Union, the Soviet militia. It gave the workers wide access to administration of the state and protection of its revolutionary achievements. Appealing to the public at large at that time, V. I. Lenin wrote, "Rally around the Soviets. Begin work from the bottom yourselves, without waiting for anyone. Institute the most rigorous revolutionary order. Crush without mercy any attempts at anarchy on the part of drunkards, hooligans, counterrevolutionary noblemen, Kornilovites, and the like."

Despite their lack of experience, the workers in the militia did not spare their lives in the struggle for the interests of the state and the people. Together with the Red Guard detachments, they defeated bandits everywhere in fierce encounters and turned saboteurs, speculators, and hooligans over

to the revolutionary tribunals. Revolutionary order was imposed with a firm hand.

Thousands of members of the people's militia who had dedicated themselves to their cause set examples of true heroism in performing their official duties.

Yegor Shvirkov and Sem'yen Pekalov, sons of Moscow workers, came into the militia directly from jobs at lathes. They showed themselves to be true defenders of the interests of the working people. On 4 April 1981 they entered a decisive battle with a band of robbers who were carrying out armed attacks on residences. During the fight some of the criminals were killed and others fled, but the two heroic militiamen also perished, dying the death of the brave. In memory of this revolutionary feat, the working class of Moscow buried E. P. Shvirkov and S. M. Pekalov in Red Square, in the walls of the Kremlin.

The core of the Soviet militia was formed in daily struggles, and the foundations were laid of the Cheka traditions of loyalty to the revolutionary cause, the cause of the party and the working people. In the 1920's and 1930's, militia activities were oriented toward active promotion of socialist construction, struggle with the capitalist elements in urban areas, and interrupting the illegal activities of private tradesmen, speculators, swindlers, and other criminal elements. The militia took active part in the socialist reorganization of rural areas, in carrying out the collectivization of agriculture, and liquidation of the kulaks as a class. Far-ranging activities were also conducted to eliminate the homeless children situation.

Fascist Germany's treacherous attack on our country disrupted the peaceful creative work of the people, who had been freed from the yoke of the old system. Everyone who was able to bear arms, to work at a blast furnace, to operate a lathe, to draw oil, mine coal, or make bread entered into unprecedented struggle to defend the accomplishments of the revolution. At the cost of huge losses and unbelievable deprivations, the possibility of socialist construction in other countries as well was created.

The personnel of the internal affairs organs also contributed their share to attainment of victory in the Great Patriotic War. During the very first days of the war, the personnel of the line division of the militia in Brest entered into combat with the fascists. Many pages of the chronicle of the historic battles of Moscow and Leningrad, the battle for the defense of Odesa, and many other engagements record the courage and heroism of members of the militia.

The Soviet militia passed its severe wartime tests with honor. The feats of hundreds of militiamen will serve always as models of fulfilment of patriotic duty to our homeland.

Immediately after the war, the militia organs began their fight with the criminal elements in the territories liberated from the enemy. The missions of the internal affairs organs during this period were determined by the need for active reanimation of a national economy ruined by war. In view of the situation existing at the time, sweeping measures were taken to reinforce the apparatus of the economic and the criminal militia and steps

were taken to strengthen the role of party and Soviet organs in management of the militia.

The subsequent democratization of public life and the fast pace of the economy intensified social processes. This necessitated prompter reaction to changes in the operational situation. The necessary conditions for effective accomplishment of missions connected with strengthening law and order were created by application of scientific and technological developments in militia activities and by instituting professional training of cadres.

The decisions by the party and government in 1968 and 1979 to strengthen the militia, preserve law and order, and step up the campaign against crime determined the basic missions of the militia under the conditions of developed socialism. The responsibility of law enforcement agencies in crime prevention was increased as the main direction in work to strengthen law and order in the country. The militia increased its cooperation with worker collectives and public institutions.

The decisions of the 27th CPSU Congress, which determined tasks in the struggle for peace and the paths of our internal development, became the action program for the work of the party and all workers in the country. A faster pace of economic development was observed, along with radical change in the material and equipment resources of production, qualitative transformation of all aspects of the life of Soviet society, improvement in social relationships, and all-round betterment of material and cultural conditions for life in the Soviet Union.

The internal affairs organs, the Soviet militia with its personnel and resources, are actively aiding in implementation of the party's plans and its resolutions for extending democratism in the work of government agencies, for further strengthening of socialist legality, and for assertion of the principles of social justice.

The role and importance of the fight against all forms of inefficient management and waste are heightened under conditions of intensive development of the socialist economy. Special attention must be paid to prevention of such phenomena as attempts to obtain income other than by work, taking of bribes, etc.

In his report at the June 1986 plenum, M. S. Gorbachev, general secretary of the CPSU Central Committee, stated that "We must adhere firmly to our main socialist principle, that of applying all resources to support and encourage honest, conscientious work, of being uncompromising in our struggle against all parasitic elements, against persons who try live at the expense of others and of society in general."

The efforts of the internal affairs organs are also aimed at implementing party and government decisions to eliminate drunkenness and alcoholism. Appropriate measures are also being taken to prevent the spread of such dangerous phenomena as drug abuse.

State and public organizations are devoting increasing attention to prevention of crime and to elimination of the causes and conditions leading to crime.

We currently have in operation in the USSR an orderly system of education and prevention which covers the spheres of production and everyday life. The system has more than 140,000 councils operating within it to prevent violations of law in plants and factories, 50,000 law enforcement stations in residential microregions, comrades' courts, and volunteer detachments in which more than 14 million persons are involved.

The party and Soviet authorities exert considerable effort to increase the influence of worker collectives in crime prevention. Improvements are being made in the system of cooperation between the militia and the Komsomol, government agencies, and teacher staffs.

Integrated crime prevention plans serve as the organizational base for joint action by government, economic, and law enforcement agencies in the war on crime.

The management of the internal affairs political apparatus at all levels is concentrating its attention on the question of party-political and ideological support of routine operational missions. At the present time, the resolutions of the 27th Congress call for substantial improvement within the shortest possible time in the results of the campaign against crime and for preservation of public order. This can be accomplished if comprehensive use is made of leading-edge experience and scientific and technical progress both in the USSR and abroad, and above all in the countries in the socialist community. It is gratifying to note in this connection the intensification of cooperation with each passing year between the militia and the Ministry of Internal Affairs of Bulgaria.

Accomplishment of the tasks set by the congress, especially in stepping up the pace of economic development and strengthening socialist legality and the principles of social justice, requires very great intensity and major creative effort on the part of law enforcement agencies.

In commemorating the 69th anniversary of the October revolution and the birthday of the Soviet militia, the employees of the internal affairs organizations of the USSR pledge their loyalty to the traditions of the Cheka. As during the years of major revolutionary battles and of the Great Patriotic War, so also during the period of peaceful construction they will at all times and in all places courageously and selflessly stand guard over the interests of the worker and of his homeland.

6115

CSO: 2200/21

NATION'S MILITIA BENEFITS FROM EXPERIENCE OF SOVIET MILITIA

USSR Experience Valuable Resource

Sofia NARODEN STRAZH in Bulgaria 5 Nov 86 p 3

[Article by Lidiya Andreeva: "Soviet Experience, Precious Capital for us: A Bright Thread Running Through our Work"]

[Text] After every meeting with the staff of the economic section of the Plovdiv district administration of the MVR [Ministry of Foreign Affairs], I come away with the impression that this division has well trained, highly professional operational personnel working in it, persons who are masters of their craft. This satisfaction comes not only from talks with them and their ability to provide accurate and interesting information on their work, but from the practical results they have achieved. During the first 9 months of 1986 they have again been among the leaders in the campaign against violations in the economy. They have detected economic offenses representing a value of around 6.263 million leva, as against 1.058 million in 1985, and damage representing 2.983 million leva, in comparison to about 630,000 leva in 1985.

At this regular meeting with the heads of the section and with the operational personnel, we tried together to determine the secret of their success. Everyone agreed that an important requirement, along with many other preconditions, is creative application of leading Soviet experience. It is easy to discuss this question, inasmuch as 15 employees of the division completed various MVR schools in the USSR. One of them was Colonel Dimitur Kirkov, head of the section, who completed studies at the Higher Academy of the USSR Ministry of Internal Affairs. Others were Lieutenant Colonel Aleksandur Tilev, head of the agriculture division, who studied at the MVR school in Kiev, Lieutenant Colonel Angel Koilov of the currency and contraband division, and many others. Captain Dimitur Krustev, deputy director of the section, is currently at the Higher Academy of the MVR in the USSR.

"Soviet experience," said Colonel Kirkov, "runs through our work like a thread. I would begin with the structure itself of the section, which is based on a Soviet model. The centralization of forces and application of the linear principle in providing security for installations in the economy are methods we have borrowed from the practical work of our Soviet colleagues."

Information on the foremost accomplishments of our comrades in arms in the USSR in the campaign to strengthen the economy comes here by different channels. Every person who has completed school in the USSR tries to apply the latest techniques in his practical work. The periodical SOVETSKAYA MILITSIYA and others in which interesting experience is presented are read with interest. One useful initiative deserving attention is the organization of a corner specifically for economic operational personnel where books and various other publications of direct assistance to the employees in their practical work are assembled. We saw many Soviet sources among them. Dimitur Ganev, a non-staff employee of the section, keeps this corner up to date. In addition, he has the duty of keeping up with the latest Soviet experience in the campaign to strengthen the economy, as reflected in various publications, and to keep the entire staff of the economic section informed of it.

We asked Lieutenant Colonel Petur Kolev, the head of the currency and contraband division, who studied in Kiev, what it was in Soviet experience that had made the greatest impression on him. His reply was that it is the "brigade" form of organization of labor. "It is a new and progressive form, engagement of all resources to detect a particular crime. I was impressed by the scale of the work, for example, in response to the misappropriation reports at the boot factory in Kiev. I saw video techniques used for the first time in the campaign against economic crimes. For the time being, we can only dream about applying these techniques. Nevertheless, centralization of the forces of our division enables us to apply 'brigade-style' organization of labor. Yesterday, for example, the entire division took part in a concentrated check organized in response to alarms of currency and contraband crimes."

"This method is applied throughout the section," added Colonel Kirkov. "Work is currently in progress in the construction division toward application of this method of acting on bribery reports."

Despite the fact that the head of the construction division, Captain Petur Sharkov, has not as yet studied in the USSR, he studies the Soviet experience with just as much enthusiasm and tries to apply it both in his own work and in the operations of the entire division.

"I read the materials published in SOVETSKAYA MILITSIYA with interest, as well as the reviews we receive on various subjects. I don't leave my colleagues who studied in the USSR in peace," asserted Captain Sharkov.

Conduct of various inspections in which all personnel participate has become a style and method of work of the division management. Examples are the Petrol, Inert, Barmani, Kombayn, and other operations that have been carried out. They turned up many violations, especially in the area of public catering and among Balkanturist personnel. Major economic crimes were discovered after additional active investigation of some of the reports received.

Nor did we neglect in our conversation the matter of extending application of the public principle in the campaign against violations in the economy, that is, liaison with various party and government authorities, cooperation

with the people's control commissions and with financial and auditing authorities, utilization of the potential of the crime prevention councils, and so forth.

Of particular importance is the role of economic analysis, which is pure Soviet experience.

"A more specific method must be used to detect carefully concealed crimes, and we rely on economic analysis," Colonel Kirkov stated in connection with this question. "We have established an economic analysis group of 8 persons in the division. They are specialists thoroughly familiar with financial accounting in enterprises and can rapidly orient themselves as to where crimes may occur. They are very diligent non-staff employees who submit reports on serious cases to us. We are aided in this effort by the experience of the militia in Cherkassk Oblast of the Ukrainian SSR. Around 600 persons are employed there in checking financial documents. At this stage, our resources are still very modest, but what has been accomplished thus far is very important."

The social function of the economic section in the Plovdiv district administration of the Ministry of Internal Affairs in Plovdiv is constantly growing in the campaign for development of the economy. Considerable assistance is provided by the Soviet experience, which truly runs like a bright thread through the activities of the entire staff of this leading militia element in the campaign against misappropriators and plunderers of the national wealth.

Transportation Militia Follows Model

Sofia NARODEN STRAZH in Bulgarian 5 Nov 86 p 3

[Article by Colonel Petur Ivanov, Deputy chief of transportation militia section, People's State Militia: "In the Transportation Militia, a System Worthy of Adoption"]

[Text] The organization, structure, and all activities of our transportation militia are patterned after those of the corresponding Soviet organizations. The position of regional line inspector has been established over the last few years. Although it has been in existence for only a short time, this mode of operation has proved to be sound practice.

In accordance with the experience of the Soviet transportation militia, we have also introduced and are successfully applying the system of using young inspectors for individual investigation in the war on crime. In each regional administration we have selected several militiamen and assigned them on a trial basis to work in criminal investigation. These men have been trained and are currently assigned to duty at the most important railroad stations. A large number of crimes have already been discovered with their assistance, as have also permanently registered persons and property under investigation by agencies of the Ministry of Internal Affairs.

Utilizing Soviet experience to make improvements in the campaign against robberies, thefts, and other crimes at freight stations, at our recommendation

the general director of the Bulgarian State Railways issued a special order setting forth specific measures to ensure strict compliance with regulations, instructions, and other regulatory documents by officials and to make certain that all violators will be held strictly accountable. These measures involve improvement in educational work in employee groups, more reliable sealing of railroad cars and introducing locking devices, intensification of supervision, etc. Comprehensive plans for protection of valuable goods and commodities have been drawn up in the section.

On the basis of the experience of the Soviet transportation militia, a system for application of the line and zone principle for supervision and assistance of militia units has been instituted in the section. A comprehensive inspection system has been established.

Following the example of the Soviet transportation militia, we have worked out alternatives for action by militia details in various situations. They have been recorded in a special file. Some of them have been incorporated into the instructions relating to special patrol (guard post) duties. A system has been instituted for employment of mobile militia groups and vehicle patrols.

As in the city of Alma-Ata, special telephones have been installed at the main railroad stations in Bulgaria to connect citizens directly to militia duty units.

The practice at the L'vov railroad station of undertaking supervision of and having individual suburban trains accompanied by members of security squads of industrial enterprises whose employees constantly use railroad transportation is also applied everywhere by Bulgarian militia detachments. The headquarters of the railroad administrations in Sofia, Gorna Oryakhovitsa, and Plovdiv now take special care and provide concrete assistance to ensure realization of the full potential of this effective form of action.

A group has been assembled and a system has been elaborated for more thorough study, popularization, and application of the advanced experience of the Soviet transportation militia. Basic operational units for individual spheres of activity have been determined for experimentation with all the valuable features of Soviet practice. There is no question that this is contributing toward improvement in our work as a whole and toward performance of our function in accordance with the requirements set by the 13th Congress of the BCP.

Volunteer Detachments Benefiting

Sofia NARODEN STRAZH in Bulgarian 5 Nov 86 p 3

[Article by Major Genadiy Yosifov: "An Inexhaustible Source"]

[Text] For years in succession the DOT (volunteer detachment) Capital Headquarters has not failed to be among the leaders in socialist competition, and twice was the national leader (in 1979 and 1983). Over the last 8 years, the operational Komsomol detachments in Sofia have on several occasions been at the head of the class in comradely rivalry and have deservedly received

the highest distinctions of the Dimitrov Communist Youth Union Central Committee. Among the many factors leading to these ongoing successes, we will mention one of the most important, that is, purposeful, organized, and universal application of the experience of the volunteer people's squads in the Soviet Union.

The largest-scale initiative by DOT activists in Sofia began in 1981, immediately after the 12th party congress. It involved borrowing the functional structural model of the Moscow squads in security guard work, which was successfully tested and adopted initially in the Kolarovski area, and then in the other districts of the capital. This initiative was carried out under the guidance of the BCP municipal committee, with the active organizational-methodological and practical assistance of the Capital People's Council, the Sofia Municipal Administration of the Ministry of Internal Affairs, and a number of officials the People's Militia Administration.

The new organization in preservation of public order, which has been built on the basis of the patrol zone, had been introduced into all districts by the end of 1985. This contributed in a short time to speeding up the process of large-scale application, improvement in the organization of the work of detachments and in administration and control of security details, and expansion, intensification, and raising the level of cooperation between the volunteer detachments and law enforcement and security authorities in the war against crime and disturbance of public order and other moral and legal norms of socialist society.

Soviet Experience Provides Reliable Model

Sofia NARODEN STRAZH in Bulgarian 5 Nov 86 p 3

[Article by Captain Khristo Tonkov, section chief in Sofia 4th Regional Administration, Ministry of Internal Affairs: "Personnel Schooled in the USSR Share Experience: Line of Conduct"]

[Text] The advantage of applying Soviet experience is that in effect the structure, organization of work, and results have already been tested and can consequently serve as a model. All that is needed is to select the most appropriate alternatives.

I had occasion to observe, and was convinced, that the most precious asset in the USSR is the new man. Regardless of profession, party affiliation, and the social level at which he finds himself, he shares the anxieties and successes of his collective. I have tried to inculcate this attitude in the people with whom I work. The most difficult problems are solved with the very core of the collective, the communists Asenov, Dimitrov, Dzhurov, and others. Personal example, striving for the best in what is new, and constant effort toward self-improvement: such are the fundamental principles governing my work.

I rely on training of young employees who are communists, on the extent of their mobilization, and especially on professional qualifications. I am pleased by the success achieved by Senior Lieutenant Ivan Tsvetanov, Senior Lieutenant Valentin Kharizanov, Senior Lieutenant Anatoli Peychev, Lieutenant Ognyan Iliyev, and Lieutenant Dinyo Krustev.

In the USSR, the standard by which the work of commanders is judged is represented not only by the results obtained in performance of their official duties but by the overall development of their units. The evaluation made by the party organization, critical comments, and recommendations and what is accomplished in acting on them are criteria of the political maturity of the collective. Only an approach such as this enables us as professionals always to be at least one step ahead of exponents of the negative and banal in our society.

Soviet Teachings Give Daily Guidance

Sofia NARODEN STRAZH in Bulgarian 5 Nov 86 p 3

[Article by Major Dimitur Uzunov: "Personnel Schooled in the USSR Share Experience: A Guidepost in Everyday Work"]

[Text] How can I improve the organization of my work? How can I better solve problems in the war on crime? These questions are of constant concern to me.

Some months ago I attended a course at the Ministry of Internal Affairs school in Moscow. I was interested above all in organization of the work of the operational services. The Soviet colleagues were sympathetic and made it possible for me to familiarize myself thoroughly with the problems of interest to me in various areas and administrations and in their duty units.

As head of the criminal investigation section in the 6th Regional Administration of the MVR in Sofia, I have tried every day to apply in my work what I have learned in the Soviet Union. For example, we familiarize SPOOR personnel assigned to duty with us of the operational situation in the territory of the administration as this situation arises. We assign them to vulnerable places where crimes or violations of law and order may occur.

We are also constantly improving our work in following "hot" leads. If an incident occurs, it is followed up by an operational worker, who is responsible for the immediate area. In more serious cases the section chief is present, or I myself take charge, in keeping with the practice of our Soviet colleagues. We issue orders on the spot regarding conduct of immediate investigative activities. At the same time, we supervise and give assistance on the spot in execution of these orders.

I find that organization of work patterned after the Soviet model allows us to be more successful in the war on crime in the region and the capital.

6115

CSO: 2200/21

TRADE PROTOCOL WITH USSR SIGNED

LD252129 Prague CTK in English 2013 GTM 25 Nov 86

[Text] Moscow November 25 (CTK correspondent)--Soviet exports of machinery and equipment to Czechoslovakia in 1987 will be much higher than in previous years, Czechoslovak Foreign Trade Minister Bohumil Urban told CTK here today.

Bohumil Urban granted the interview after he and his Soviet colleague Boris Aristov signed the 1987 protocol on trade and payments between their countries which, he said, puts emphasis on direct contacts between production enterprises that will have an ever bigger share in the development of economic and commercial cooperation between Czechoslovakia and the Soviet Union. Much bigger emphasis than in previous years was laid on the quality and technical standard of exported products and also on delivery schedules.

The present development clearly demands supplies of goods of only the highest quality and this was apparent from talks with Soviet partners on the entire assortment, Bohumil Urban said.

The Czechoslovak-Soviet protocol on trade and payments in 1987 covers the two countries' mutual obligations ensuing from their 1986-1990 agreement on trade and payments and other economic agreements.

Czechoslovakia will rank next year among the biggest trade partners of the Soviet Union which will remain the main partner of Czechoslovakia.

Machinery and equipment will be the main commodities going both ways. The Soviet Union will supply Czechoslovakia with metal-working machines, electro-technical and mining equipment, building and road building machines, farm machinery, and automobiles, and also such consumer goods as television and radio sets, watches, refrigerators, cameras and the like.

Czechoslovakia will export to the Soviet Union metal-working machines, equipment for the chemical, oil and food industries, locomotives, trams, lorries and ships. Important items will also be chemical products, rolled material, steel pipes and consumer goods.

7051

CSO: 2020/32

CHNOUPEK, CEAUSESCU DISCUSS SOCIALIST UNITY

LD282259 Prague CTK in English 1426 GMT 28 Nov 86

[Text] Bucharest November 28 (CTK correspondent)--Czechoslovak Foreign Minister Bohuslav Chnoupek, who is on an official friendly visit to Romania, and Romanian Communist Party General Secretary and President Nicolae Ceausescu discussed here today questions of further strengthening the unity of the countries of the socialist community and topical international issues.

The two representatives voiced full support of their countries for the Soviet proposals submitted at the summit in Reykjavik and at the Soviet-U.S. talks in Geneva. These proposals represent a breakthrough in the efforts for disarmament which now enter a qualitatively new level.

Implementation of the achieved accords would soon lead to a halt in the arms race on the earth and its averting in outer space. In this connection, Bohuslav Chnoupek and Nicolae Ceausescu condemned the attempts to distort and water down the understanding of Reykjavik.

Nicolae Ceausescu and Bohuslav Chnoupek exchanged views on the implementation of joint peace initiatives of the Warsaw Treaty and further development of the European process. They stressed that a positive reaction of Western participants to the appeal to reduce armed forces and conventional armament, adopted at a session of the Warsaw Treaty Political Consultative Committee in Budapest, would significantly help reduce the danger of military confrontation in Europe.

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CSO: 2020/32

POLITICS

CZECHOSLOVAKIA

CTK REPORTS CHNOUPEK SPEECH AT BELGRADE DINNER

LD022136 Prague CTK in English 1935 GMT 2 Dec 86~

[Text] Belgrade December 2 (CTK correspondent)--The development of Czechoslovak-Yugoslav relations so far was praised by Czechoslovak Foreign Minister Bohuslav Chnoupek here today.

At a dinner given in his honour by his Yugoslav counterpart Raif Dizdarevic, Bohuslav Chnoupek pointed out the danger posed to mankind by plans of imperialist circles seeking to win military superiority in the world, and stressed that nations, however, will not put up with this situation. He spoke of the strengthening calls for confrontation to be replaced by cooperation and for conflicts to be settled by peaceful means, adding that the most recent proof of this is the Delhi Declaration signed by Mikhail Gorbachev and Rajiv Gandhi, expressing identity of opinion of the socialist and non-aligned countries on settling key issues.

7051

CSO: 2020/32

CSSR, FRENCH COMMUNIST PARTY PRESS RELEASE

LD290050 Prague CTK in English 2101 GMT 28 Nov 86

["Main Points of Press Release on Visit"--CTK headline]

[Text] Paris November 28 (CTK correspondent)--The French Communist Party and the Communist Party of Czechoslovakia said today they wished all existing possibilities to be used to start a more dynamic cooperation between the two countries in all spheres of activity.

The wish was expressed in a press release issued at the close of the visit of a Czechoslovak Communist Party delegation led by Presidium member and Central Committee Secretary Vasil Bilak to France November 24-29, and of its talks with a French Communist Party delegation headed by Politburo member and secretary Maxime Gremetz.

The delegations agreed to develop contacts between the two parties on the basis of principles laid down jointly in 1982. The visit of the Czechoslovak party delegation following this meeting represents an important contribution to the development of this comradely cooperation.

The delegations put emphasis in their talks on the importance of the broad popular movement developing in the world and especially in Europe and aimed at uniting various forces in the struggle for a halt to the arms race and for reduction of nuclear arsenals up to their complete liquidation.

The Czechoslovak and French communists expressed gratification at initiatives which have been born lately, the press release said and listed the many proposals of the Soviet Union and the socialist countries, the proposals of the six heads of state and government of the New Delhi Appeal, thirteen states of the Pacific Forum, the non-aligned countries, the Nordic states and religious and other organizations.

The two parties particularly appreciated the joint attitude of the West German Social Democratic Party (SPD), the Czechoslovak Communist Party, the Socialist Unity Party of German (SED) and the Polish United Workers Party to the removal of chemical weapons from Central Europe. Initiatives favouring a zone without nuclear weapons in this area were evaluated in the same way.

The Czechoslovak Communist Party delegation appreciated the proposal of French Communist Party General Secretary Georges Marchais that all forces--communist, socialist and social-democratic parties as well as other political parties and peace movements concerned about the same issues--exchange views and jointly consider ways of facilitating progress in disarmament, detente and the consolidation of peace in the world.

The French and Czechoslovak Communist Party delegations jointly emphasized that the struggle for peace is immediately linked with a problem facing many countries--the problem of backwardness--and underlined the necessity that the huge resources being spent on war be used for life.

Both sides call for removal of famine which kills tens of millions of women, children and men every year and are working for a new international economic order based on justice, democracy, cooperation and independence, for the observance of human rights and freedoms. This creates real preconditions for every nation to be able to freely choose its future, the path of its own development, the press release said.

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CSO: 2020/32

POLITICS

CZECHOSLOVAKIA

COMMUNIQUE ISSUED ON IRAQI FIRST DEPUTY PREMIER'S VISIT

LD010932 Prague CTK in English 1705 GMT 30 Nov 886

[Text] Prague November 30 (CTK)--Satisfaction with the relations of friendship and cooperation between Czechoslovakia and Iraq and with the results achieved in the development of bilateral economic, trade and scientific-technological cooperation was expressed during official talks between Czechoslovak Premier Lubomir Strougal and Iraqi First Deputy Premier Taha Yasin Ramadan.

This was stated in a joint Czechoslovak-Iraqi communique issued here today at the close of Taha Yasin Ramadan's official visit to Czechoslovakia.

During their talks, held in a cordial atmosphere of mutual understanding, the two representatives discussed the ways and possibilities of further expansion of bilateral relations in all spheres, in the interest of the peoples of the two friendly countries, the communique said.

Lubomir Strougal and Taha Yasin Ramadan exchanged views on present international topics of mutual interest and voiced concern over the tense international situation, particularly in the Arab region.

They noted with satisfaction that the two countries share identical or close stands on the most important issues of international policy, the communique stressed.

Both sides highly appreciated the Soviet initiatives aimed at easing and later eliminating the nuclear threat.

The Czechoslovak premier pointed to the far-reaching significance of proposals from the Budapest session of the Warsaw Treaty Political Consultative Committee in June 1986 for the reduction of armed forces and armament in Europe as a contribution to strengthening security not only on this continent but also in the whole world.

The Iraqi side highly appreciated Czechoslovakia's peace policy aimed at strengthening confidence in international relations, return to detente, development of broad international cooperation, at ensuring peace, stability and security in Europe and the world over, the communique said.

Discussing the Middle East situation, Lubomir Strougal and Taha Yasin Ramadan voiced deep concern at its present development which is extraordinarily dangerous and poses threat to peace, security and stability not only in this region but the world over.

They sharply condemn the continuing aggressive and expansionist policy of Israel, supported by the United States, and expressed their solidarity with the struggle of the Palestine Liberation Organization (PLO), as the only lawful representative of the Palestinian people.

The two representatives supported the convening of an international conference on the Middle East, attended by all sides involved, including the PLO, as a way to reaching a just and comprehensive settlement of the Middle East conflict.

Taha Yasin Ramadan informed Lubomir Strougal about the developments in the Iraqi-Iranian war and recalled international initiatives aimed at ending the war and settling disputes between the two sides by peaceful means. He also explained Iraq's positive response to the resolutions of the United Nations Security Council, the Non-Aligned Movement and the Organization of Islamic Conference on this issue.

The Iraqi first deputy premier emphasized that the only way to ending the conflict is complete and unconditional withdrawal of troops beyond the internationally recognized borders, complete exchange of prisoners of war, signing of a non-aggressive treaty between the two countries, non-interference in the internal affairs and mutual respect for the state system of the other side, the communique said.

Lubomir Strougal reaffirmed Czechoslovakia's principled and firm stand calling for an end to the Iraqi-Iranian conflict by peaceful means and in harmony with the U.S. Charter and the principles of international law.

He welcomed all proposals aimed at a settlement of the conflict by peaceful means and appreciated Iraq's positive stand. He reiterated Czechoslovakia's conviction that the continuation of the war is at variance with the interests of the peoples of the two countries and the Middle East states which should strengthen, at present more than ever before, their unity in the struggle against imperialism and Zionism.

Lubomir Strougal and Taha Yasin Ramadan stressed the significance of the efforts of the Non-Aligned Movement countries to solve serious problems of the present.

At the close of the visit, Taha Yasin Ramadan expressed gratitude for the warm welcome which he and his entourage received in Czechoslovakia, and invited Czechoslovak Premier Lubomir Strougal to visit Iraq. The invitation was accepted with gratitude.

BILAK RECEIVES GLOBAL SOLIDARITY COMMITTEE DELEGATES

LD041315 Prague CTK in English 1210 GMT 4 Dec 86

[Text] Prague December 4 (CTK)--Czechoslovak Communist Party Presidium member and Secretary Vasil Bilak today received the heads of the delegations of the socialist countries' committees of solidarity with the nations of Africa, Asia and Latin America attending their 17th conference in Prague.

In a frank comradely discussion the guests informed Vasil Bilak of the working session. It was stressed that the conference, taking place in a period after the congresses of the fraternal communist and workers parties, is to lay down the prospects of activity of the solidarity committees in the coming period. The participants agreed that it is necessary at present to strengthen coordinated cooperation and develop its many-sided forms.

Special attention was paid to the struggle of Asian, African and Latin American countries against the misuse of U.S. economic domination for political dictate in the world, to the questions of a new just economic and information order and the creation of a system of international security with regard to the role of the individual regions of the developing world in this process. It was stressed that the hegemonistic policy, famine and poverty as the results of the neocolonialist policy of the United States and its allies are the main source of tension in the developing countries. The countries of Asia, Africa and Latin America need solidarity, assistance and support of all progressive forces of the world in the struggle against the consequences of this policy.

Vasil Bilak briefed the participants on the basic stands of Czechoslovakia's foreign policy in relations to the developing countries and spoke about their role and importance in the struggle for the preservation of peace in the world.

7051

CSO: 2020/32

PROPERTY CONSTRAINTS ON HEIRS IN FRG DISCUSSED

Frankfurt/Main FRANKFURTER ALLGEMEINE ZEITUNG in German 24 Nov 86 p 7

[Article by Dr Friedrich Karl Fromme, chief editor for domestic politics and coordination: "Property in the GDR Affords Little Pleasure"]

[Text] A good many people in the FRG who believe that socialism in the GDR is more "developed" than it really is are surprised to hear that there are some West Germans who actually own property in the GDR. There are various ways in which this might have come about. Up to war's end in 1945, the then German Reich was a mobile society in principle: people were able to move from place to place for professional or private reasons. During the war, enforced moves became more frequent, e.g. people being transferred to do work in companies "important to the war effort." Such a transfer order could take a person to Frankfurt/Oder (which is in the GDR today) or to Neumuenster in Schleswig-Holstein (which is in the FRG). During the war, there also were officially ordered as well as private resettlements--initially from West to East because the western regions of the Reich suffered more from air raids at an earlier stage. But toward the end of the war, movement was practically all from East to West because people knew that Western occupation was by all means preferable to occupation by the Soviet Union.

A person who was living in Magdeburg in 1935 and moved to Duesseldorf for a better job (perhaps even within the same company) might still be alive today, if he was, say, 30 years old at that time. In any event, his children or grandchildren, his nephews or nieces now living in the West might have inherited that person's house in Magdeburg, if he never decided to sell it. In other words, they would own property in the GDR. For all that, it might be a very convoluted legal situation involving the GDR and the FRG both. In principle, however, property rights have not lapsed in such cases unless the property was expropriated by the Soviet Zone of Occupation or the GDR for specific reasons, e.g. because the owner was considered a "war criminal or Nazi criminal" or because it was farmland expropriated under the provisions of "land reform" legislation or still because it was real estate requisitioned by the GDR government for its own expansion projects, either for housing or industrial use. In this manner, entire villages were razed when the Soviet Zone authorities allowed the Soviet occupiers to prospect for uranium in the Erz Gebirge and later, because of soft coal mining.

Then there are those who left the GDR "legally" before the Wall was built on 13 August 1961. There were a number of such cases particularly involving artists and scientists who were allowed to move, e.g. in response to an appointment to the faculty of a West German university or a post at a West German museum. The property left behind by those millions who fled the GDR prior to 13 August 1961 (including real estate, furniture and cash) was confiscated as a rule of course.

A third group includes those who moved to the FRG "after the Wall" with the approval of the government as part of the "family reunification program." Such moves have been taking place since the mid-sixties. The socialist-liberal coalition has accepted the honor of having been responsible for this "humanitarian relief program." The fact, however, is that this program had already gotten started under the aegis of CDU-Chancellor Erhard and FDP-Minister Mende. Under the family reunification program, men have been and still are allowed to leave the GDR from the age of 65 and women from the age of 60. As a rule, the GDR did not lose any able-bodied workers but it did save on paying out pensions. It goes without saying that the GDR does not remit a penny of the pension payments earned there to those who have left the country. The annuities do not even accumulate--in case the retiree decides to return. In addition, the GDR gained in housing which is not as scarce as it used to be but is still in short supply in the metropolitan centers.

These people may take along their movable property except for valuable "cultural heritage" items. This latter is a concept which is not defined in abstract terms--as so much is not in the GDR. Instead, an expert will appear at the person's domicile and like anywhere else in the world that expert may be small-minded or easygoing; he may be knowledgeable or not. Thus, it is mere chance whether a person may be allowed to take a Marcolini porcelain item along or not. Marcolini was an early form of Meissen porcelain from the 18th century. What the emigrant must of course leave behind is every type of real estate as well as all his cash assets. That people may not take their stamp collections, however small in value, with them would appear to be a bureaucratic whim on the part of the GDR more than anything else. Whereas the fact that the government will not allow people to take out a single East mark may be an indication of the GDR sensitivity to the low esteem in which its currency is held internationally. Still, real property and monetary assets remain formally unaffected and can be inherited by West Germans under certain conditions.

But a West German who owns property in the GDR cannot be called rich as a rule. Those who left before 1945 do not count; they took their money along. Those who lived in the GDR after 1945 were able to leave only modest sums of money to their heirs because after the collapse in 1945 all financial holdings, even including savings accounts, were liquidated by the Soviet Zone authorities. This first "currency reform" which solely affected the inhabitants of the Soviet Zone is studiously disregarded in the West--for

fear that some people might register belated equalization of burdens claims. A "revaluation" of so-called "oldtime" accounts in the GDR (i.e. pre-1945 accounts) did take place but it is not really worth mentioning. Stocks were not part of it in any event because it was a capitalist type of investment insofar as the companies involved continued to operate in the West. In the Soviet Zone, the stockholders' portfolios became the property of "the people." Government bonds issued prior to 1945 and taken over by the new government were cancelled outright. Because of the dual new beginning--in 1945 and in 1948, when the GDR carried out a devaluation of the mark at the rate one to ten simultaneously with the West--financial assets in the GDR amounted to small sums in most instances.

Even though some independent artisans and members of the intelligentsia did earn good money in the GDR for a time, the post-1948 amounts were substantial only in comparison with the salaries and wages paid to non-privileged individuals in the GDR. However prominent a member of the intelligentsia might be his earnings never exceeded 15,000 marks per month. The GDR saw to it that the money received by its privileged citizens found its way back into the government coffers. They were allowed to obtain choice consumer goods but at elevated prices, e.g. the then luxury automobile built in the GDR--a rather modest variation of the old Horch cars manufactured at Zwickau--sold for about 40,000 marks at a time when the most expensive car built in West Germany, the Mercedes 300, sold for DM 12,000. In other words, even the members of the intelligentsia never were able to amass large sums of money on a regular basis.

After the Wall was built in 1961, the "individual contracts" already concluded were still honored as a rule but today no professor or chief physician can expect to be paid a salary of 15,000 marks. As for the artisans, they are subject to the changing views of the system on what they should be allowed to receive for practical reasons and what they should be refused on ideological grounds.

The financial assets of anyone moving to the FRG are placed in a blocked "non-resident" account. This money can go to West German heirs as can any money left behind by someone who dies in the GDR. The non-resident account is a kind of checking account over which the owner has very little control. It pays a symbolic interest of one-half percent which is subject to income tax and on top of that the entire balance is subject to property tax. If an inheritance case arises, inheritance tax must be paid which, in the GDR, is characterized not surprisingly by low deductibles and high tax rates. Under the circumstances, 100,000 marks left behind by persons who moved to the FRG in 1965 will soon be reduced to a fraction of that amount as far as the potential heirs are concerned. Lately, the owners of such accounts can draw on them at will while on a visit to the GDR. But since there is not much to buy there and since export restrictions (e.g. on chinaware) apply, there is little motivation to do so. Until recently, the owner of a non-resident account was allowed to withdraw only 15 marks per day during his stay in the GDR.

Transferring the funds from the account to the FRG is not permissible--except for a maximum of 200 marks per month for retirees, at the discretion of the GDR authorities. The GDR cannot afford a one-to-one exchange rate--although this very exchange rate is used for visitors to the GDR. On the other hand, pride in addition to economic considerations forbids the GDR from accepting the five-to-one exchange rate set by the Western market. The West German depositor is not even permitted to use his non-resident account to make gifts inside the GDR. The probable reason for this is that the GDR fears that the funds might be transferred to the West in a clandestine manner, if only by way of gift packages containing books or baked goods at Christmas.

Things are even worse for a West German owner of real estate. Someone who owns a one-family home is fairly well off--be he the owner himself or the heir to the property. Such residences are desirable properties in the GDR as long as they are not huge, old-fashioned villas which once belonged to the bourgeoisie but rather the kind of small homes which began to built in the thirties when the social equalization process set in. These days, a home of this kind can be rented at a price which will at least pay for part of the upkeep. If there is any (modest) excess, the funds go into the (blocked) non-resident account. It permits one at any rate to maintain the fiction that one still owns the property which makes one feel even better, if one attaches sentimental emotions such as childhood memories to the house.

But such a house can also be sold; but prices are low. A six-room house in a good location on the outskirts of a big city, built in the thirties, i.e. in fairly good condition even if only maintained in an improvised fashion over the years, will sell for 30,000 marks. A comparable house would sell for between DM 500,000 and DM 800,000 in the West. The money from the sale, to be sure, also is credited to the non-resident account which reduces interest in selling the property to a minimum. It is said that some desirable houses which are artificially upgraded to reflect the "Prussian" style are traded on the black market at higher prices. But a West German property owner can neither get involved in such schemes, nor take advantage of the extra money.

It is a bad business for someone to acquire rental property in the GDR. Rents have been frozen at the 1936 level but the cost of repairs has increased substantially--which is another way of saying that average earnings in the GDR cannot simply have grown miraculously. The rights of lessees in the GDR are almost limitless--at least in their relations with private lessors and even more so in their dealings with lessors from the FRG. For another thing, a West German landlord has virtually no control over the management of his property in the GDR. He will be very lucky to find a private manager but even then he will not really know what is going on. If that manager decides not to provide him with information, he can always hide behind some regulation or other which cannot be checked by

the landlord who lives in the West. And if the apartment house has become part of the people's-owned, communal housing administration, i.e. the state, then the West German owner is left with no other way out but to agree to everything, e.g. even to a government order requisitioning funds from the otherwise blocked non-resident account to be used for maintenance purposes.

It is impossible to sell such an apartment house. It is a moot point whether it is at all permissible. The West German authorities would do well at least to try to get a ruling in the matter. But it is certain that no resident of the GDR would spend his savings on the purchase of an apartment house which would be nothing but trouble for him. Thus, the only thing left for a West German owner of such property is to give it up. But even if he does, the GDR does not show the kind of gratitude one might expect from the recipient of a generous gift. In fact, there are quotas for the acceptance of such property which may well be exhausted for years, depending on location. There is no compensation for the owner; what is more, the West German owner must even pay the required notary's fees in West German currency. Residents of the GDR, too, often heave a sigh of relief when their offer to give up an apartment house they have inherited is at last "accepted."

Inheritance and property taxes take a particularly large bite out of the value of real estate. First of all, its value is pegged at the uniform level of 1936. There are some in the FRG who say it is inadmissible that real estate is only taxed on the basis of the old uniform value (as against the far higher current market value) and they are calling for market-related real estate taxes. In the GDR, these demands have been satisfactorily met. Even a practically worthless multi-family dwelling is taxed according to the old uniform rate but inheritance tax as well as the annual property tax are computed on that basis.

So, if a West German, after having paid his inheritance tax as well as the fees for the appropriate documents, title transfers and so on (although the owner does not receive a copy of the actual title), has become the owner of an apartment house and a bit of cash in addition, then the uniform value of the (worthless) house and the cash are added together and it is on that sum that he will have to pay property tax. At first glance, the property tax rate seems tolerable, i.e. no tax on the first 10,000 marks; one-half percent up to 25,000 marks and 1.5 percent up to 500,000 marks. But these rates result in altogether intolerable taxes in the end. Let us say that the house is worth 60,000 marks (uniform value) and let us add to that 10,000 marks in cash. On the resulting 70,000 marks, a property tax of 1.5 percent or a little over 1,000 marks will have to be paid. This amount is subtracted from the cash holdings, which means that it will be gone in about 10 years. This amounts not merely to creeping expropriation but galloping expropriation. In a similar manner, the more or less acceptable inheritance tax for direct heirs is driven up through the inclusion of worthless real estate pegged at the old uniform rate.

This may all be so because it corresponds to the principles of socialism and one must also admit that the GDR could simply cancel all property rights by West Germans at any time. On the other hand, there have been instances of formal expropriation not because of a depletion of assets but simply because the GDR needed the land. In such cases, the owners are compensated. But if there is a lien on the property, a negative balance may emerge. The state assumed the role of lender in 1945 and its claims may be redeemed at a one-to-one exchange rate. Instead of receiving compensation, an owner living in the GDR is then faced with an obligation to make a refund himself. It is to be hoped that the FRG's readiness to normalize relations will not put the GDR in a position to force property owners resident in the West to make good on these claims in Western currency--which would be very much to the liking of the GDR.

The problem is that the West German owner has no idea what is happening to his money and his real estate holdings; nor is he given any information on how his property tax is computed. This is a matter which appears to be too insignificant to FRG politicians for them to pursue it more vigorously with a view to clearing it up once and for all. Perhaps we have a few too many German policy experts (in all our political parties) who think that if they have taken just one trip to the GDR; if they have stayed at the new "Bellevue" in Dresden and visited the opera there and if they have shaken hands with some high-ranking SED functionary they have done a great deal for "normalization." The truth is that normalization occurs in everyday affairs and in that field a lot still remains to be done.

From time to time, people say that one must understand the GDR's fear about news concerning the computation of property taxes to be paid by West Germans because this is something which could be viewed as an administrative action by the West and checked into by the courts. Anyone who knows the least bit about the realities in the GDR will tell you that this is absurd. Any finding by an FRG tax appellate court against the tax division of some GDR Kreis council, stating that a tax claim was too high, would merely end up on the bulletin board as an indication of the scurrilousness of the Western imagination. There are unconfirmed reports which state that the GDR authorities have wide powers of attachment of West German property where GDR tax claims are involved. This refutes, if anything, the idea that the GDR has reason to fear verdicts of West German courts condemning administrative actions in tax cases.

The GDR debits accounts wherever and whenever it pleases. The idea that the holders of the accounts might have to issue powers of attorney does not conform to the legal concepts prevailing in the GDR. The FRG is unable to make the GDR change its mind on this score. But at some point when the GDR needs something, the FRG could insist (in an aside) that the GDR issue an "advisory" which would expressly be declared to be non-litigious but which would inform West German owners of assets in the GDR of what happens to these assets of theirs, i.e. exactly how the creeping expropriation proceeds--which is part and parcel of the GDR system and which the FRG can do nothing about.

The finance divisions are among those GDR government institutions which do not correspond with West German nationals. Correspondence is routed via a "plenipotentiary" who passes queries, declarations and appeals on to the appropriate authorities which (may) provide the desired information which the plenipotentiary in turn transmits to West Germany. It is unclear whether the finance divisions actually accept mail addressed to them and are prepared to respond only to the plenipotentiary or whether they simply view mail from the West as not having been delivered. It is equally unclear whether the plenipotentiary needs to be a government official or whether a private citizen in the GDR willing to go to the trouble could also perform that function. What is certain, however, is that anyone who inherits property assets in the GDR based on procedures which often enough have been complicated throughout the past 41 years; who has never been to the GDR and knows nothing about conditions there or about the value of his bequest and knows no one in the GDR will encounter almost insurmountable difficulties both as far as the entire procedure and the appointment of a plenipotentiary is concerned. On this matter, too, the West German authorities should try to clear things up.

All in all, the all-German protestations voiced in this country sound better than inner-German fiscal realities actually are. When a West German owner of an apartment house has succeeded in avoiding creeping expropriation by simply relinquishing his property or if he has been expropriated outright, the FRG discreetly looks the other way. In the seventies, there was a ruling based on which equalization of burdens was granted to offset the non-use of such apartment houses for a matter of decades. The amounts were minimal. Thus far, the laws of the FRG have shown absolutely no understanding for the fact that non-use and outright expropriation are not the same thing. It is to be hoped that the administrative procedures followed by the equalization of burdens offices correspond to this position. Enforced abandonment of property, which is tantamount to expropriation, is not a case for equalization of burdens. Let us cite an example: the compensation for non-use of an apartment house in a big city in the GDR, in a very good location, equipped with a swimming pool and all sorts of other amenities which in the West German/Rhenish view could not possibly have existed in the eastern part of Germany before the war (valued at 75,000 reichsmarks prior to 1936) amounted to 20,000 marks. There was no compensation for the enforced abandonment of the property, i.e. for its expropriation.

In such cases the computation of (strictly speaking) war-caused losses based on uniform value becomes absurd, redounding to the benefit of the FRG treasury. It is even more scurrilous that only creeping expropriation through non-use is construed as a loss whereas actual expropriation is not construed as such. That there is no one in this country who still thinks about the Cottbus baker or Leipzig lawyer whose assets earned by dint of hard work up to 1945 were reduced to zero by the Soviet occupation forces and their German henchmen with a stroke of the pen--not a soul complains about that any longer. That was long ago. But formal or enforced expropriation of property is taking place today, in the GDR, in one part of Germany.

WORLD FEDERATION OF DEMOCRATIC YOUTH MEETS IN BUDAPEST

Delegates from 121 Countries

Budapest NEPSZABADSAG in Hungarian 24 Nov 86 pp 1-2

[Summary] The 12th general assembly of the World Federation of Democratic Youth [WFDY] convened 23 November in Budapest. The youth organizations of 121 countries were present, joined by representatives of "countless" other international and regional organizations. The Soviet comsomol delegation was led by Viktor Mironyenko, first secretary of the Lenin Comsomol Central Committee. Most of the other youth organizations were also represented by their high-level officials. The Hungarian delegate was Csaba Hamori, first secretary of the Hungarian Communist Youth League, KISZ.

Sunday morning on Heroes Square, Valid Maszri, president, and Vilmos Cserveny, first secretary, laid wreaths on the monument of Hungarian Heroes. Leaders of WFDY regional committees and specialized organizations were also present. After a KISZ pioneer musical program, Valid Maszri gave a speech. Maszri said the assembly had been convened to answer questions related to solving the problems of peace, the struggle against imperialism, defense of the rights of youth, and the global problems of our age. The goal is to formulate WFDY's new tasks in light of the changed situation of our time. "The president of WFDY pointed out that the forces working for peace and disarmament have expanded their activities all over the world during the past years. Youths also took an active part in this struggle. He proposed that the assembly should debate the possibility of forming an anti-nuclear coalition as the most appropriate means available for the unification of those forces that are ready to act in the interests of building a peaceful world that is free of nuclear weapons. The WFDY has always considered solidarity with progressive forces to be important; it was because of this that it has had such respect since its founding 40 years ago. The experiences gained in this way now indicate that the organization should think through its activities and adjust them to its present tasks. He stressed that it is necessary to coordinate the various tendencies of the different international youth movements, and he said it is desirable for WFDY to do more to activate youths in neutral countries." He also proposed that the next meeting of VIT [World Youth Conference] be held in the capital of North Korea in the summer of 1989.

Matyas Szuros, a secretary of the MSZMP Central Committee, delivered Kadar's greeting. Csaba Hamori said even more cooperation is needed among progressive forces, if the destruction of mankind is to be avoided. Speaking of the accomplishments of the organization since the assembly in Prague in 1982, he said it was an accomplishment of WFDY and a significant milestone that the All European Youth and Student Cooperation organization is again functioning the way it is. The openness, aggressive strength, and responsible stance of the WFDY was also reflected in the role it played in the 12th World Youth and Student Conference.

Vilmos Cserveny later spoke on the necessity of all members taking an active role in the organization's activities. Mutual cooperation and responsibility must be strengthened. "The member organizations expect this assembly to exercise strict self-examination of the work done since the assembly in Prague. We have to have the courage to break with customary practices...at the same time, we must be sure that no one has a monopoly on or destroys the spirit that serves to strengthen the organization."

Viktor Mironyenko delivered greetings from Gorbechov, who also described his experiences at Rejkjavik. Gorbachov pointed out that in its international proposals the Soviet Union takes world opinion into account. Mironyenko also gave assurances of the solidarity of Soviet youth with the youth and people of Nicaragua and of South Africa in their struggle against apartheid, and pointed out that because of imperialist intervention, the tension in the Near East is increasing. He spoke of need for increasing international youth cooperation and said that the 12th World Youth Conference that was held in Moscow helped bring people from distant parts of the world together. He pointed out that the 1989 conference in North Korea will be the first World Youth Conference to be held in Asia. He said this would be an important step in the "battle" to make the Pacific region an area of peaceful cooperation.

Most of the delegates stressed that the most important task for preserving peace was to create a world-wide anti-nuclear coalition. They stressed, that the Soviet Union's disarmament and arms limitation proposals provided a good basis for the struggle of youth for peace.

The assembly was also addressed by Romes Csandra, president of the World Peace Council, and delegates from the following: The German Socialist Worker Youth from West Germany, the July 19 Sandinista Youth Federation from Nicaragua, the Lenin Comsomol, the French Communist Youth Movement, the Sudan Youth Federation, the All-Indian Youth Federation, the Polish Democratic Youth and Student Federation, the Democratic Youth League of Lebanon, the Indian Youth Congress, the Japanese Democratic Communist Youth League and the Portugese Communist Youth Federation. The debate lasted into the night.

Kadar's Message to WFDY

Budapest NEPSZABADSAG in Hungarian 24 Nov 86 p 1

[Text] Dear comrades, my young friends!

On behalf of the Central Committee of the Hungarian Socialist Workers Party and on my own behalf I greet the delegates and guests taking part in the 12th general assembly of the World Federation of Democratic Youth.

You came from five continents to our country as representatives of progressive, democratic youth, in order to examine the situation of youth in a world burdened by contradictions and tensions, and to decide on the tasks standing before your federation.

Thanks to scientific accomplishments and technical progress our world has shrunk: the peoples of distant parts of the world have become neighbors who feel each others' successes and worries, joys and sufferings. In our modern world, no one is invulnerable: if one country stays behind, it can hinder the development of another, and local wars that once seemed distant now destroy every day and actually threaten the security of all mankind. The defense of peace, the prevention of nuclear war, the limitation of the arms race that has been forced on the world by the extremist circles of imperialism, the solution of the problems of the developing countries, the protection of our natural environment is a single interest, a common responsibility and task.

The Hungarian people, which is building socialism, can only accomplish its planned tasks, which are directed at modernizing the economy and completing socialist democracy, in peace and security. Our citizens themselves are trying to do everything they can, in concert with our government, our social and mass organizations, and our capabilities, to bring about peaceful coexistence with countries that have different social systems, for detente, for the promotion of disarmament, for understanding among peoples. Our country takes part in and supports the concrete efforts made by the Soviet Union and the socialist countries to preserve peace and achieve disarmament. It joins the just battle for promoting the independence of the peoples of Asia, Africa, and Latin America, and for raising them socially and economically.

My young friends!

The peoples and their representatives have a grave responsibility to promote the development of an international atmosphere that is characterized by trust, cooperation, and united work on solving the problems of the world that have a crucial bearing on its fate. In this situation, the World Federation of Democratic Youth must find its place and its goals, satisfying the standards, common strivings, and tasks of the member organizations comprising the young generation, which are forced on them by this complicated world. I think that the great experience gained in furthering the cause of peace, social progress, and antiimperialist solidarity provide a good basis for this.

I wish you a fruitful exchange of ideas, and success and good health in your responsible work.

U.S. Condemned, Soviets Praised

Budapest NEPSZABADSAG in Hungarian 25 Nov 86 p 3

[Summary] The assembly of the WFDY continued its work on 24 November, and at the same time the two special sections of the federation also started their work: the International Volunteer and Friendship Service Organization (SIV-SAJ), which works on organizing solidarity actions and international building camps, and the International Youth Tourist and Student Exchange Office (BITEJ).

Most of the delegates condemned the aggressive behavior of the U.S. The delegate from the Israeli communist youth [not further identified] praised the Soviet Union's disarmament initiatives and said peace was only possible in the Near East if Israel withdraws from all occupied territory and an independent Palestinian state is formed. The FDJ [not further identified] delegate from East Germany said his organization has recently sent 16 brigades to various parts of the world, including Nicaragua to help with the coffee harvest by replacing young people who must fight against the counterrevolutionaries.

The plenum discussed problems of world hunger, illiteracy, and the unemployment that is especially a problem for young people in the west. In this connection, the delegate from the Romanian Communist Youth League stressed the importance of convening a UN conference on the debt problem and the new economic world system.

The criticism was often heard, that the WFDY must pay more attention to the local situation as it does its work in various parts of the world. The comsomol delegate said at a press conference that it is necessary to strive for less bureaucratic methods and for closer cooperation with member organizations and other organizations. The representative of the Greek young communists said the organization should try to be youthful not just in form, but in content. Mrs. Lajos Duschek, president of the National Council of Hungarian Women and leading official of the International Democratic Women's Federation greeted the assembly.

Romes Csandra, president of the World Peace Council, was received by Csaba Hamori. He also met with Mrs. Nandor Sebestyen, president of the National Peace Council, and they discussed the question of cooperation between the Hungarian peace movement and WPC. Ivan T. Berend, president of the Hungarian Academy of Sciences, also received Csandra, who later met with scientists who take part in the peace movement.

Activities in Nicaragua, Afghanistan

Budapest NEPSZABADSAG in Hungarian 25 Nov 86 p 3

[Summary] The plenary meeting came to an end 25 Nov. Speakers included Peter Emod, a secretary of the KISZ central committee, and Josef Skala, president of the International Student Federation, who said the world organization has to accept the variations in the views of its member organizations. At the last session of the SIVSAJ sectional meeting it was stressed that young people from all over the world were going to Nicaragua to help with the coffee harvest, and progressive youth organizations are sending volunteers to build schools in Afghanistan, Angola, Tanzania, and other developing countries. The Children's and Teenager's International Movement Committee's meeting was also scheduled for 26 November.

Assembly Winds Up Work

Budapest NEPSZABADSAG in Hungarian 25 Nov 86 p 3

[Summary] On the last day of the WFDY general assembly [29 Nov] representatives of 136 organizations accepted a resolution calling for solidarity with the Palestinian people and urging the founding of an independent Palestinian state. Support was expressed for Nelson Mandela in

South Africa. The assembly heard a financial report and other subcommittees reports, and decided on the new membership. From various parts of the world, 17 new youth organizations joined the WFDY. They discussed the work program for the coming year, stressing activities related to the prevention of nuclear war, the promotion of peace, the eradication of world hunger, environmental protection, and youth unemployment.

They also planned common conferences with other youth organizations: in West Germany, a conference with the theme "Peace and global problems--the new tasks of revolutionary youth movements"; in Sweden a joint environmental protection seminar; and in Austria a conference on the rights of young women. All proposals were accepted unanimously. Then the officers of the organization were elected. Valid Maszri, who represents the Lebanese Democratic Youth Federation, will continue as president, and Vilmos Cserveny of the Hungarian Communist Youth Federation will continue as first secretary. The delegates left Budapest 30 November, after issuing an appeal.

Appeal to World Youth

Budapest NEPSZABADSAG in Hungarian 25 Nov 86 p 3

[Text] The continuing arms race and the new, ever more complicated weapons and nuclear means have done nothing to make the world safer. Plans to extend the deadly race to space only increase insecurity and make irreversible the drive toward armament. In the interests of avoiding a military conflict that threatens mankind with total destruction, it is the common and urgent task of all of us to prevent this, and to banish nuclear arms from our planet.

It is high time that we took decisive steps to stop the arms race, especially the development of nuclear arms. It is the urgent task of this age, to pool all our resources in the interest of creating a comprehensive system of security...We call on all peace-loving young people to work for the establishment of a world-wide anti-nuclear coalition. The coalition is an important element of any struggle or concrete action, which has as its goal preventing nuclear war, halting the militarization of space, prohibiting totally the testing of nuclear weapons, stopping the stockpiling of nuclear weapons, and establishing nuclear-free zones.

We call on all young people, regardless of their political, ideological views or religious convictions, to organize parallel and united actions on national, regional, and international levels, actions that have one united goal: freedom from the threat of nuclear war and guarantee of peace on earth and in space.

CSO: 2500/95

CHANGES PLANNED IN TEACHING OF ECONOMICS, FOREIGN LANGUAGES

University Economics Curriculum Revamped

Budapest HETI VILAGGAZDASAG in Hungarian 1 Nov 86 pp 52-54

[Article by Laszlo Borsi: "The Teaching of Economics Modernized--The Hungarian Model"]

[Text] According to a currently still evolving concept, within the next 2 years there will be fundamental changes in the system whereby economists are trained at the Karl Marx University of Economics. If the plan is realized, this alma mater which since its reconstruction has regained its old glitter will implement a higher educational system which heretofore has been rarely seen in Hungary.

It may sound like a platitude, but it is true that a reform-minded system of economic management requires a new breed of market-oriented economic experts, equipped with foreign economic and managerial know-how, decision making ability, a willingness to analyze and take risks, and last but not least, a knowledge of foreign languages. Our current system of economist training is the product of two subsequent changes, both implemented within the past 20 years. While these changes have resulted in unquestionable advances compared with the systems of the 1950's and 1960's, they have affected mainly the content of education and had little impact, for example, on the often criticized speciality system.

It was in the early 1980's that the issue of revamping the system of training at the "econ school" was taken up again. The educators responsible for the most recent concept had periodically consulted with the competent branch ministries, and discussed their plan with the Academy of Science. At a conference organized jointly with the Soros Foundation they had even elicited the opinions of American and British professors, if only because while working on the concept they had studied primarily the American, British and West German

systems of economist training. Simply copying a foreign system, of course, is out of the question, stress the people at the econ school, since the organizational, research and educational environment in Hungary is fundamentally different from those models. The debate continues, say university officials who also count on input from the student in developing the new concepts.

In any case, by early September, the department-level debates were over. As the next step, the proposal will be discussed by the [university] president's council and the school senate, and the latter will decide whether or not it will be implemented. The final approval, however, will have to come from the Ministry of Education. It is the firm intention of the university leadership to begin teaching on the basis of the new system by September 1988.

But what is this new system? Its two most notable innovations are the introduction of a two-tier system of instruction and the reorganization of the current structure of the various departments. Perhaps the most important feature of this new system of training is that instruction will be broken down to two levels. The primary goal will remain the training of certified, in other words, university graduate economists, but after the third year students will have the option of completing their university studies with a college diploma. Admission will continue to be uniform, as college and university training will only be separated after the second year. Who ends up studying for how long will depend partly on the decision of the student himself, and partly on the extent to which they have fulfilled the requirements prescribed by the university. To put it simply: anyone who has met the stated conditions will be able to continue his studies at the university level. These conditions include a still not quite precisely defined average performance, grades in the more important subjects, and the taking of certain higher-level courses, such as mathematics, political economics and general enterprise economics.

Offering such a choice, stress university officials, will also be helpful for those who at some point find that, for one reason or another, they are unable to complete their studies. The 3 years they would have otherwise wasted now will qualify them to receive a college diploma. Just how many students will eventually reach the university graduate level has not yet been finally determined. According to the present plans, however, there will not be any quotas set; in other words, anyone who meets the requirements will be allowed to continue his studies to the end of the fourth and fifth years.

The next choice afforded to students in the university curriculum will come at the end of the third year, for that is when they will be presented with the other innovations of the revamped system of training, the so called modules. This means that the existing speciality branches will be replaced by modules, or to be completely precise, with modular blocks of training in general economics and management, which after the model widely used in the Anglo-Saxon system of economist training is also referred to as business school training, and also in international business and teaching. According to the official definition, the goal of the economic, or theoretical module is to produce economists who are able to assess interrelationships on the national economic level, while the business school will train students in the application of modern enterprise and business concepts and provide them with management principles and managerial know-how.

The next choice available to the students concerns further specialization and immersion. This will come every quarter when they will be given opportunities to choose from among so-called speciality tracks. According to the plan these may include foreign economics, trade, tourism, marketing, management organization, restructuring and organization, finance, infrastructure-, area- and settlement development, environmental protection, computer technology, plan mathematics, sociology and economic theory. The plan will also offer what university students have long asked for: more alternative and elective courses than before.

Naturally, it will be the courses that will have to fill the theoretical framework of training with substance. In this respect, too, the concept promises changes. It is possible that some of the courses offered today will be gradually phased out and replaced with new ones, such as general enterprise management.

The most heated debates concern the proposed weight which non-Marxist philosophies are to have in the new curriculum. "A university of social sciences cannot neglect the teaching of politology or political science." states the position paper prepared by the university KISZ organization on the new instructional concepts. "We believe, furthermore, that the achievements of bourgeois scientists should also be incorporated into the teaching of philosophy and scientific socialism on the basis of their merits." The role of the students, incidentally, is rather unique in this regard as those involved in the debate about the new plans obviously will not be university students anymore by the time the new system of training is implemented. This, however, has by no

means meant apathy on their part. According to Gyula Horvath. KISZ secretary at the MKKE [Karl Marx University of Economic Sciences], an active segment of the student body has shown great interest in the training modernization program. In Horvath's assessment of the debates, the differences of views represented by the debating partners have not been primarily generation-related, but could best be characterized as reflecting a difference between a conservative and a new, open philosophy.

In this respect, it should be pointed out that overall the university KISZ considers the proposal suitable for the long overdue modernization of university education. It greatly appreciates the general introduction of such important subjects as organization, management, labor economics, decision making theory, environmental protection, social psychology, and the fact that every student will be required to take an medium-level language examination.

Clearly the modernization of economist training also cannot be done without money. Moreover, the developers of the concept already suspect that it will require a great deal of money. Just precisely how much, nobody has been able to estimate because--as the explanation goes--the substantive details of the project still have not been completely worked out. Yet without them as a basis, all other details, including the financial, organizational and cadre-training plans, will have to be delayed. As the plans presently under consideration do not anticipate a significant increase in the number of students, the size of the faculty is also not expected to change significantly.

On the other hand, there is every indication that the university will be a more open one as far as the outside world is concerned. It will be more dependent on the instructional work of outside research institutions, and similarly, the university's own instructors will be more likely to accept assignments from research institutions. This, of course, they will probably be compelled to do, not necessarily only for scientific but also for financial reasons, as for now there appears to be no hope for any increase in the low wage level of teachers. Nevertheless, the present leadership of the university hopes to bring about a fundamental change in the way economists are trained in our country. As University President Csaba Csaki put it: "The intellectual potential of our university is considerably greater than what our current results indicate."

Bilingual Schools To Open

Budapest HETI VILAGGAZDASAG in Hungarian 1 Nov 86 pp 52-54

[Article by Agnes G. Barta: "Language Teaching in High Schools--For High-level Exams]

[Text] Starting in September, there will be greater opportunities to study languages in high school. In addition to the so-called language speciality classes, in the capital as well as in the country new bilingual classes will be launched.

Nobody has come up with any statistics showing what kind of damage our lack of proficiency in foreign languages has caused our economy, or of how much profit it has deprived our country. However, we do have numbers that show how many of us speak various foreign languages. According to a survey taken during the 1980 census, 3.4 percent of the populace speaks German, 1.3 percent speaks Russian and only 1.1 percent speaks English. Only 0.3 percent of our country's populace can communicate in other, less popular languages. Yet, although aside from an ever growing number of language school advertisements there is nothing else to suggest this so far, there are heartening indications that language learning is becoming popular again.

Although only after some delay, our public education system has also decided to opt for more hours of language instruction, to be conducted under special conditions. The Ministry of Culture has recently announced that starting in September 1987 and then in 1988, 15 capital city and provincial high schools would launch bilingual education programs. Essentially this means that during their 5-year training, which will be a year longer than normal, the students will study a significant portion of the curriculum in a foreign language. During the preparatory year, they will be dealing mainly with the language. Starting in the first year, history and geography will be taught in two languages, while mathematics and physics, and from the second year on also biology, will be taught in the foreign language. As we have learned from the ministry, these particular subjects have been chosen because they allow those continuing their studies to acquire the fundamentals of several professions. Knowing the essentials of a special subject in a foreign language may be helpful to engineers, physicists, foreign trade specialists and biologists in their future work. Naturally, Hungarian will remain the language of instruction in Hungarian literature, chemistry, art history, and free-hand drawing. and physical education classes will also continue to be conducted in Hungarian.

The students enrolled in this new system will also have to take their final examinations in the foreign language and, depending on their level of proficiency, they will also be awarded medium- or high-level language diplomas.

In the newly opening Hungarian-Russian high schools the length of training will be 4 and 1/2 years. Starting from the second semester of their eighth-grade studies in the elementary school, the children enrolled in this program will be transferred to the high school for a 1/2 year of preparatory training. According to the plan the altogether nearly 800 children who will be accepted to the programs designed with such objectives in mind by high schools teaching English, Spanish, French, German, Italian and Russian will not be required to have prior knowledge of the foreign language in order to get in, ministry sources say. In year zero, they will start learning the language with the basics. As there will probably be far more applicants than available slots to accomodate them, however, there will be an entrance examination that will evaluate the abilities and endurance not so much on the basis of their elementary school grades, but by means of a special test.

Of the 15 high schools designated for the program only two will be from the capital city: the Kolcsey high school which will launch a French program, and the Thokoly street high school in the 18th district which will begin offering instruction in English. Starting in the fall of 1988, a similar program will begin at a newly constructed school in Kispest, in Hungarian and Spanish. the provincial schools--including high schools specializing in German in Mosonmagyaróvár, Mezőberény, and Nagykallo; an English-language high school in Balatonalmádi; French speciality high schools in Sarospatak, Mohács and Pázdto, and the Kodály Italian-language high school in Pécs--accept applications from students living anywhere in the country, and they even offer room and board. During the second half of the 1987 school year, Russian-language instruction programs will begin in Tiszaújlak, Jászberény and in the Lovas high school in Pécs, with registration also open to all parts of the country.

Agnes Vámos, section head of the high school department of the Ministry of Cultural Affairs, has also promised that the children involved in these bilingual education programs will be given an opportunity to visit--for periods ranging from 2 weeks to 1 month--the countries where the language they study is spoken.

As to the question of how they planned to ensure the availability of teachers qualified to teach speciality

subjects in a foreign language, Agnes Vamos told us that on the basis of mutual cultural agreements they would hire guest teachers from foreign countries. "For every school we will employ 4 foreigners, in other words, teachers whose native tongues are either English, German, Spanish, Italian, French or Russian. In addition, each school will have a lecturer of the native language. Their salaries will be higher than those received by our own teachers, and they will also receive an all-expenses-paid, furnished apartment from the respective local councils. Those of our domestic teachers who will teach, let us say, history or geography in a foreign tongue will receive a language allowance. This will be necessary, for this form of instruction requires a different way of thinking, more thorough preparation and harder work."

Of course, higher expenditures on wages are not the only factor requiring additional outlays of funds from the Ministry of Education; the equipment used by these schools will also be considerably more expensive than those needed by other high schools. So far some 18 million forints have been spent on translating textbooks into foreign languages. The so-called year zero consumes between 350,000 and 400,000 forints per school, since every school and every class requires different teaching materials, tape recorders, video equipment and cassettes. Moreover, the Ministry of Education also pays a part of the building costs of new high schools and some provincial colleges. "We have no conclusive data," said Agnes Vamos, "but one thing is certain: no matter how expensive the introduction of this new form of instruction may turn out to be the investment will pay off, because the students graduating from these schools will be able to put their language proficiency to very profitable use in their chosen professions."

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MICEWSKI STAND ON RELIGIOUS EDUCATION ASSAILED

Warsaw RZECZPOSPOLITA in Polish 3 Oct 86 p 7

[Text] Andrzej Micewski has lived in Vienna since the end of 1985. According to his own words, he had left for a few years because he considered that "for him there were no prospects whatsoever of serious, and also legal, activities" in Poland. It is difficult to ascertain what activities, Micewski had in mind. These certainly were not press activities, for he continued publishing articles in Polish periodicals after his departure. The latest product is an article entitled "J. Urban On the Knowledge of Religion" and published in the Catholic NIEDZIELA weekly on 14 September 1986. It was immediately recommended to readers by TYGODNIK POWSZECHNY.

One must concede that from a certain point of view the article is remarkable since it shows how wide a disparity there can be between the standards, rules and principles voiced by man and the style and forms of his own activities. One might have the impression that in his article, Micewski intended to prove that there was no actual relationship between the two.

In his article published in NIEDZIELA, the author tries to kill two birds with one stone. On the one hand, the cutting edge of his criticisms is directed at the government spokesman's activities. On the other hand, he unequivocally presents his position regarding opportunities for including the knowledge of religion in its various forms, and of the consequences of the emergence of that social phenomenon in high school curricula--within the framework of supplementary lectures.

There would be nothing strange or surprising in the fact that Micewski's opinion concerning the introduction of that study of religion in school curricula differs from that of the government spokesman. The problem of knowledge of religion has been widely discussed by the mass media. There has been no shortage of polemics and even disputes regarding the subject. In these discussions--if only in the recent "On the Word's edge" television program--there was a predominant anxiety about providing indispensable conditions for the knowledge of religion to be--not just in its intentions but in practice as well--an instrument for broadening the young generation's mental and scientific horizons. The lectures in this

field must help shape, notwithstanding, differences in worldviews systems of moral and ethical values common to the entire population of Poland. Of systems based upon our nation's best traditions, taking into consideration the experience of our time, and remaining in harmony with the needs of the approaching 21st century. What makes one speak up in the case of Micewski's latest article is that the author obviously breaks with sound press customs and rules. One could even overlook the demagogic evaluations and conclusions in his article. One could leave it in disgust without any comments and consider it yet another--certainly not the last--attempt to suffocate the readers' brains. There are however weighty reasons against this. For a regrettable ad hominem attack Micewski uses neither more nor less than arguments from the area of the "interests of Poland", viz. the Polish *raison d'etat*. To find reasons for obstructing access of the young generation to non-confessional sources of knowledge of religion and of religious policies, he turns to the assertion that the teaching of the knowledge of religion at school means... a stumbling block on the path of national consensus processes and a menace to the Poles' moral conditions. At the same time Micewski tries to revive the myth of the danger to the Catholics coming from the state agencies in Poland. Once again he lets himself be known as a man who specializes in the selective presentation tailored to theses adopted in advance.

In order not to appear lacking in proof, let us quote a few examples. Let us start with key matters. In his article Micewski suggests that humanities "which are not apolitical sciences" were eliminated from our social life, in Poland there would be no social problems such as "undermining moral attitudes in a way favorable to the development of social pathology" to "threatening the national culture," etc. To Micewski, the schools' activities giving the youth access to the achievements of modern human thought, helping the young generation acquire the foundations of a scientific worldview, practical implementation of the legally defined duty of teaching people and bringing them up in harmony with the current state of knowledge of the history of the Polish nation and of mankind mean "playing with fire in the field of social morality", leading to "dangers to the population's productivity."

What does the author of NIEDZIELA article suggest instead? There are a few solutions simultaneously offered. First of all, a monopoly of the Roman Catholic Church in explaining the phenomenon of religion and the history and the social significance not of Catholicism alone but of all religions in the contemporary world. Moreover, there is an identification of Polish culture with Catholic culture, as well as the omission of different worldviews among Poles, and granting the Catholic Church in Poland the exclusive right to appreciate what is moral and what is not, what is humanistic and what is subordinated to immediate political aims, and what is the essence of the Poles' national interests and what conflicts with them.

Micewski's view of history is no less amazing: On the one hand, he evaluates administrative attempts to steer state religious policies in

the early 1950s while at the same time generalizing about the political squaring of accounts and passing it over in silence. To this he contrasts the contemporary image of the church. One must admit that Micewski knows what he is doing. If he had described the church's position on ecumenism in approximately the first 15 years after World War II, he would have been in trouble. Instead of writing about the Pope's visit to the synagogue, he would have had to write about considering the Jews as "heirs and successors to those who had put Jesus on the cross". Instead of contemplating dialogue within the framework of Christianity, Micewski would have had to write about the church considering non-Roman Catholic denominations as a "permanent outrage to God and sacrilege"; he would have had to mention the bishops' prohibition, reasserted in Poland as late as 1960, against the marriage of Catholics to non-Catholics. It is plain that all this does not suit the author of the NIEDZIELA article.

The matter is similar regarding the most recent history of Poland. Micewski prefers to pass over in silence the fact that the church has traditionally tried to set up in our country confessional schools in which the curricula, handbooks, teams of educators, and youth associations would be strictly controlled by the Catholic Church. Incidentally, let us remember such proposals in the light of the resolution passed by the synod of bishops held in 1936.

The resolution explicitly stated: "Prior to religious schools being set up, the plenary synod insists that it should be the right and duty of the faithful to request that tuition under the current school system must fully match the principles of Catholic science, and that the youth not be exposed to moral and religious harm by unsuitable coeducation, by teaching Catholic boys and girls together with Jewish youth, and by entrusting people of another faith with educating youth." Let us also recall that in 1936 church efforts resulted in an order linking all grade and high school curricula with the "teachings of Roman Catholic religion". Let us add that this was precisely the way the bishops imagined the Polish school after World war II. It did not concern the teaching of religion at school alone but what the bishops expressed in the pastoral letter of 1949, namely that "religion at school may not be the subject of additional lectures but constitutes the center of education." These matters are passed over in silence by Micewski. He does not even mention them. Instead of discussing the position of the government expressed by its spokesman on its merits, he prefers to prove that Urban is "a satirist and journalist". He prefers to discuss the features of Urban's press conference that are unrelated to the knowledge of religion as presented at the press conference. Would Micewski, an experienced columnist, all the same, who already contributed to the PAX press in the early 1950s, and then steadily published his articles in the church press, realize the objective and intellectual shallowness of his attack.

Micewski is teaching the government spokesman a lesson to the effect that the Polish language should be balanced, flexible, and diplomatic. After reading his last article in NIEDZIELA and sampling his "diplomatic"

language, it is difficult not to have the impression of woe to those whose interests would be represented by Micewski in that language.

P.S. Just for order's sake, let us add that for many years lectures on Marxism-Leninism have been delivered at Catholic academies and seminaries, and we do not recall anyone complaining. Gustaw Radon

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CSO: 2600/71

BRIEFS

'CARITAS' GROUP ACTIVITY--Visiting the Plock area, representatives of the Catholic 'Caritas' association were received by Antoni Bielik, governor of the Plock Voivodship. The delegation members included: Wincenty Lewandowski, Sejm representative deputy chairman of the All Polish PRON Council, secretary general of 'Caritas'; Father Henryk Kurzepa, chairman of the 'Caritas' Board; and Dominik Wisniewski, director general of the 'Caritas' Board bureau. The meeting was also attended by Henryk Leszczyna, director of the Office for Religious Affairs, and Tadeusz Wiland, director of the Plock Voivodship department for religious affairs. The participants discussed the main directions of the activities of 'Caritas' Board and of the organization's Plock Voivodship branch association, including activities that encourage patriotic attitudes. At the meeting, Father Wacław Maciej, chairman of the Plock Voivodship 'Caritas' branch association was invested with the insignia of Polonia Restituta, Knight's Cross, by Wincenty Lewandowski, Deputy Chairman, All Polish PRON Council. [Text] [Lodz GLOS ROBOTNICZY in Polish 8 Sep 86 p 2] 5174/9190

USSR CHURCH GROUP VISITS--At the invitation of the Polish Ecumenical Council, a delegation of Christian churches in the USSR, led by Nikodim of Lvov and Tarnopol, attended a solemn pontifical mass at Warsaw's Holy Ghost Cathedral. At the seat of the Synodical Council, the delegates, guests of Bishop Tadeusz R. Majewski, head of the Polish Catholic Church, provided information on the preparations of the Christian churches in the USSR for the solemn commemorations of the 1000th anniversary of the baptism of Ruthenia. Bishop T. R. Majewski acquainted the delegates with the planned activities of the Polish Catholic Church and the Polish Catholic Social Association. In appreciation of efforts for peace made by Patriarch Pimen of Moscow and All Russia, the head of the Polish Catholic Church presented Metropolitan Nikodim with the Bishop Franciszek Hodur Order, first class, to be conveyed to the Patriarch. Metropolitan Nikodim of Lvov and Tarnopol, Bishop Anatoliy of Ufima, Bishop Jeremiah, ordinarius of Wroclaw-Szczecin Orthodox diocese, and Father Gennadiy Yablonskiy of the Moscow Patriarchate foreign department were invested with the insignia of gold Bishop Franciszek Hodur Order for contributing to the development of ecumenical contacts in the international area. The meeting was attended by Archbishop Bazyl, head of the Polish Autocephalous Orthodox Church; Bishop Wiktor Wysoczanski, chairman, Polish Catholic Social Association; and representatives of the Office for Religious Affairs. [Text] [Warsaw TRYBUNA LUDU in Polish 8 Oct 86 p 2] 5174/9190

CEAUSESCU'S SPEECH TO WORKERS' PLENUM

AU120601 Bucharest SCINTEIA in Romanian 10 Dec 86 pp 1, 3

[Speech by RCP Secretary General Nicolae Ceausescu at plenary session of the National Council of Working People in Industry, Construction, Transportation, Goods Turnover, and Finances in Bucharest on 9 December]

[Text] Esteemed Comrades: The plenary session of the National Council of Working People has discussed within the plenum and sections questions pertaining to this year's activity with a view to fulfilling the plan for the 1st year of the current 5-year plan. It has also discussed the Draft Uniform National Plan of Socioeconomic Development for 1987, as well as the Draft Centralized Financial Plan and the State Budget for next year.

As a matter of fact, they have been the subject of an extensive analysis and discussion within the working people's congress of September when the 1986-90 5-year plan was adopted. During October and November, the Uniform National Plan on Socioeconomic Development for next year was extensively discussed within the general meetings of working people in all units. This is why one can say that next year's plan in fact reflects the option of the workers class and of all working people in all areas. This plan, as it were, reflects the collective work by producers, end-users, and owners, that is the work of the true owners of all the wealth in our socialist homeland.

There are only a few days left before the end of the year. On the basis of results achieved so far one can say that we will conclude the 1st year of the Eighth 5-Year Plan with positive results in the development of industrial production, which will be 7 percent higher than last year, with an important increase in labor productivity, in the national income, and in other important indicators of the plan.

We are undoubtedly justified in referring with satisfaction to the important results we have achieved this year, all the more so when one takes into account the fact that we had to cope with difficult situations in the world economy and that there are, unfortunately, a number of failings in the activity of certain working people's collectives.

If all units and all areas had acted with a greater sense of responsibility and exactingness we would have been able to achieve more significant results

this year. I stress this also at the end of the plenary session of the National Council of Working People, because we have to draw all necessary conclusions from the way we acted in the 1st year of the current 5-year plan and take all necessary measures to eliminate negative things and optimally utilize our material-technical base and the production capacities we have in order to ensure the unswerving implementation of the 13th RCP Congress decisions and the program for building the comprehensively developed socialist society and Romania's firm advance toward communism. (Loud, prolonged applause)

We have also achieved positive results in agriculture. The largest grain yields our country has ever known are just being achieved. Likewise, important results have been registered in the development of science and education--important factors for our socialist homeland's socioeconomic growth.

However, I do not want to dwell on this year's activity. All these questions have been extensively discussed during the year. In the past months we discussed both what we have achieved and what has to be done to improve our overall activity with the management of all ministries and with executives from all areas.

This year we adopted a special program for the scientific organization of the production process, technological modernization, economic-financial activity, and the new norms regarding a more judicious utilization of material and financial assets. Actually, all comrades at this plenary session have talked about these measures. Many of the speakers said that hundreds and some said that thousands of measures have been worked out to implement our programs. These programs of measures for units, sectors, and branches are, undoubtedly, of great importance. We should bear in mind, however, that among these hundreds and thousands of measures for each unit we should focus on a few so that, by implementing them, we will ensure the implementation of all programs of measures which incorporate thousands and tens of thousands of actions. I mention this problem to the National Council, the supreme body of the Working People's Council, and to the basic cadres in the socioeconomic activity by proceeding from the need to do all we can so that everything we have established this year, the programs for perfecting and modernizing technology and the organizational framework, and for setting better economic-financial norms will be implemented under optimal conditions.

In this area, too, we do indeed have positive results. On the whole, I believe that we can say that 1986--the 1st year of the current 5-year plan--has been a year in which our economy has demonstrated its potential and capacity and in which the working people, the Romanian people, as conscious builders of socialism, have demonstrated their ability to overcome all difficulties and ensure faster socioeconomic progress for our socialist homeland. (Loud applause)

We can state that this year's results also demonstrate clearly the correctness of the policy of our communist party--the leading political force in our socialist society--and the correctness of the creative application of the generally valid laws and truths to the concrete realities and conditions in Romania. Facts demonstrate that in implementing the party program and the strategic targets regarding our homeland's future, we must constantly proceed from

realities and from objective laws while understanding that they can only act in relationship with the concrete conditions in our country and, taken as a whole, in each country. There are not patterns, laws, or truths that can act by themselves under any conditions while the subjective factor--the party, the workers class, and the people--are awaiting the results of the action of those laws and objective truths. No matter how good they are, these laws and objective truths can yield results only to the extent to which the people and our party make use of them and --proceeding from them--they are able to ensure our homeland's firm progress on the road to socialism and communism! (Loud applause, cheers; prolonged chants of "Ceausescu-RCP!" and "Ceausescu and the people!")

Everything we have achieved this year, as in fact throughout the years of socialist construction, is the result of the devoted work performed by the workers class, the peasantry, the intellectuals, and all working people, irrespective of nationality, and of all our people who, in complete unity and under the leadership of our communist party--the leading political force of our nation--ensure our homeland's firm progress, its elevation to new heights of progress and civilization, the strengthening of Romania's material and cultural force, and its independence and sovereignty! (Prolonged applause, cheers; chants of "Ceausescu and the people!" and "Ceausescu, Romania--our esteem and pride!")

From the plenary session of the National Council of Working People I want to extend warmest congratulations to the managerial councils, to the working people, and to all our people for the important results they have achieved and to wish them fresh successes in all areas. (Prolonged applause, cheers; chants of "Ceausescu and the people!")

Esteemed comrades, the Uniform National Plan on Socioeconomic Development for 1987--the 2nd year of the 1986-90 5-year plan--ensures the necessary conditions to unswervingly implement the 13th RCP Congress decisions. As is well known, the development rates for next year match the provisions of the 5-year plan and ensure an intensive development of all areas.

I do not want to refer to these indicators because they are well known and because, as I have mentioned, the draft plan was discussed at length with the working people. There are important provisions regarding the way to implement the targets aimed at an intensive development, achieving a new quality of work and life, and at ensuring the unflinching implementation of our targets in connection with Romania's transition--during the current 5-year plan--to a new stage of development, the stage of a medium developed socialist country. We have a great program and we can state that what we have achieved in the 1st year of the current 5-year plan and the provisions for the 2nd year of this 5-year plan are a guarantee that we will implement this target. At this plenary session of the National Council of Working People I must actually say that from a quantitative point of view in many areas we have reached such a level as to entitle us to stress that Romania ranks among the medium developed countries which aim at an increasingly higher level of development. We still have some targets to implement, especially as far as quality is concerned, in order to be fully entitled to say that we have exceeded the stage of a developing country and that we have risen to a higher, that is, a medium stage of development from

all viewpoints. We have all the necessary conditions to implement the program for building the comprehensively developed socialist society. (Loud, prolonged applause)

We can fully rest assured that we will fulfill these plans and all our goals in the current 5-year plan. However, this means that we have to work even better and to act with greater determination in all areas to eliminate negative things and to perfect and improve all our activities.

In particular, we must constantly pay attention to developing our own raw material and energy base and to making most efficient use of raw materials and energy and we must constantly act to observe consumption norms and further cut back on materials and energy. Although on the whole we have cut back on them this year, consumption continues to be high and all areas and all units must act with greater determination and responsibility to reduce consumption constantly.

We must pay greater attention to recovering and recycling raw materials and energy sources and to redesigning and reutilizing parts and subassemblies. We have some achievements in this area, too, but there is room for more and there are great possibilities for improving in all areas.

Special attention has to be paid to the better utilization of all production capacities. This requires the appropriate organization of the activity in each unit, of work shifts, and it also means to ensure appropriate maintenance of machines and equipment and the carrying out of major repairs and other maintenance activity on schedule so as to ensure that equipment is constantly in operation and repeated disruptions in the operation of some installations and equipment are halted.

As I have said on other occasions, we must ensure everything that is needed to carry out repair work in the shortest time possible, especially major repairs, and to also perfect installations, machinery, and equipment. Any major repair must improve the operation of installations, machines, and equipment, increase output, reduce material and energy consumption, and must lead to an increase in labor productivity. Major repairs are envisaged in the plan; however, this is not enough. All sectors must act with great responsibility so that the negative situations which were obvious this year will not be repeated next year.

I have stressed that we have everything we require to ensure a high growth rate for production next year. However, one has to bear in mind that it is not enough just to achieve the commodity output indicator, and that this indicator must be based on the fulfillment of the itemized production in all varieties. I hope it is not necessary for me to dwell on the fact that if we do not manufacture a certain product, a small part--not to mention one or another sub-assembly--if we do not manufacture a certain chemical product, a certain variety of steel and so forth, we will harm the overall production process and make its overall progress difficult. This is why it must be well understood by all units that the commodity output plan presupposes the fulfillment of the itemized production--and thus action must be taken not so much in the direction of the value of commodity output, but to manufacture all varieties and to fulfill the itemized

production in all areas. By manufacturing these varieties and fulfilling the itemized production we will implicitly achieve the value of commodity output and ensure the proper progress of all activities. Thus we will eliminate many, I could say, the largest part of shortcomings which were obvious in various areas this year as well.

Constant attention must be paid to the question of quality and improving the technical level of production. I referred to this briefly during the discussions in plenum and I do not want to quote concrete examples, although there are many things to be said in this connection for each sector separately, in fact. Comrades, it has to be understood that the Romanian industry has reached such a level of development that questions of quality and technical standard are decisive for our future development. We have a broad and modern technical base in all branches. However, we must manufacture highly technical products which can compete with the best such products in the world. Many comrades mentioned here--and this is usually done--that we propose to rank first with one or another product. This is certainly an important thing and we must propose such things and think in this way. However, we have to propose that no poor quality products leave any enterprise or any plant if they do not meet the requirements and technical standard of such products at a world level. If we want to be in the forefront in various areas in the world production then we must manufacture products that can compete with and be appreciated by any country in the world! I would like to quote a single example: to rank first in the field of motors we must manufacture a motor with a low fuel consumption and great longevity--or rather--durability. Are we able to do this, comrades? I believe that this is possible and therefore we must thoroughly organize this activity and appoint collectives of working people to deal with these priority questions to ensure these front-ranking places. And this must be done in all areas!

Thus, the questions of quality and technical standard are today decisive problems of Romania's growth, of achieving targets aimed at intensive development, and of building socialism and communism in our homeland. Without them we cannot speak of intensive development and of building the communist society. We must be fully aware of the particular importance of this problem.

We have a strong scientific research and we have achieved positive results in this area. Scientific research is indeed playing an increasingly greater role in our overall development. We cannot conceive of fulfilling our programs if we do not base them on the most modern achievements of science and technology in all areas. However, it is necessary for us to act, indeed, with great determination to bring about a closer link between research, production, and education so as to ensure that all areas introduce the achievements of science and technology immediately into the production process. Thus we will be able to implement the 13th RCP Congress decisions. We have necessary forces in all areas and we have scientists and specialists in technology, and highly skilled workers who, by acting in close unity, are able to achieve these targets. This is actually one of the special requirements also to increase the quality and technical standard of the production process.

We must pay greater attention to questions of labor productivity on the basis of a scientific organization of production and labor and automation and

mechanization of the production process, including robotics, where necessary; however, not merely to say formally that we also have our own robots--as Caragiale [Romanian playwright] used to say "to have our own lame ducks." Let us introduce automation and robots where we are indeed able to use them to raise technical standards and productivity, so that the correctness and need to introduce them is demonstrated.

We have achieved relatively positive results this year regarding labor productivity. You are familiar with the programs we have adopted up to 1990 which aim at more vigorously increasing labor productivity in all areas--and we must act accordingly!

We mentioned that we must implement--by all means--the major provisions of the modernization programs in all areas. There are some areas in which we propose to eliminate stages through technological modernization and to achieve, on this basis, a cutback in consumption, a simplified production process, and an increase in quality. So far, however--and I want to stress this once again--we have not done very much in this direction. Next year, 1987, must be the year--so to say--that is decisive for the application of measures aimed at basic technological modernization in all areas. We must see to it that in 1988 we actually conclude the modernization process in all areas.

Decisive measures are necessary in the economic financial area. The programs and measures we have worked out are very good; however, they are being implemented too slowly. Firm measures are necessary to reduce consumption and material and production costs, to firmly apply the new economic-financial norms, and to ensure self-management and self-financing in order to substantially reduce credits necessary for the production process in conformity with the programs we have formulated. Through the application of all these measures we must ensure a greater increase in profitability and profits in all areas, in the net income, the national income, and in the wealth of our whole nation. Only thus, that is, on the basis of a great increase in the national income as a result of the implementation of all programs of measures shall we be able to ensure the necessary means for the further intensive development of our homeland and also the means required to constantly improve our people's material and cultural standard of living--the supreme goal of our party's policy and the essence of the comprehensively developed socialist society, which we are successfully building in Romania! (Loud, prolonged applause)

We have planned important and large investments for the current 5-year plan. We have allocated some 30 percent of the national income for development purposes. Although we have implemented some of the targets set, we cannot be completely satisfied with this year which is drawing to a close. We have not put into operation all capacities on schedule. Some of them have to be planned for next year, a fact that undoubtedly has a negative bearing on the development process in general. This is why all necessary measures have to be taken to optimally fulfill investment plans, particularly in the area of raw materials, mining, oil, metallurgical installations, chemistry, petrochemistry, and in other areas.

I believe that particular attention has to be paid to investments in the energy field, where there are lags and where things did not progress under optimal

conditions this year as well. Therefore, such measures are necessary as to completely eliminate negative situations next year and to ensure the optimal fulfillment--in terms of quality and time--of the investment plan in the area of energy. This applies to all areas.

Likewise, measures are necessary for a more rational utilization of materials and finances. Yesterday at the plenary session of the National Council of the Socialist Democracy and Unity Front I referred to some very steep expenses which are still being made in various areas of investments. The comrades from central departments are aware of this problem because we have discussed it. But I also believe that the comrades at a regional level know very well, based on the situation in each county, that there are expensive projects underway--some of them completely uselessly--and that in the case of a number of large projects investments of tens of billions of lei were reduced only in recent months; not tens of million but tens of billion lei. Not longer ago than a couple of days, an investment project of some billion lei was reduced more than 60 percent in the area of machine-building. And this is not the only example comrades. It is with all seriousness that I mention this problem at the plenary session of the National Council of Working People to the management cadres and the representatives of the working people in all socioeconomic areas, because all necessary measures must be taken to stop this inadmissible situation.

I have reached the conclusion that we must radically reduce funds for the so-called organization of worksites. We have decided that these funds be limited to 0.5 percent or at a maximum to 1 percent and that they shall not be granted on the basis of a percentage, but on the basis of concrete foreign currencies for each area. In no city, in no commune, and no enterprise where development work is underway should funds for organizing a worksite be needed because such facilities already exist and should be utilized appropriately. Waste and plundering of our national wealth--to express myself bluntly--should be stopped! Thus we will save 4-6 billion lei next year. Together with the other billions we are to achieve by revising projects with great responsibility and by carrying out each project with maximum responsibility, we will be able to have scores of tens of billion lei available for other needs to develop our homeland. By building better, less expensively, and with lower expenditures we will also have more means available to improve the general level of civilization, science, culture, and material and cultural standard of living of our people. (Loud, prolonged applause)

It is necessary to pay greater attention than this year to foreign trade and export production. We must proceed from the fact that foreign trade is an important aspect of our production process. Foreign trade and exports are a continuation and an inseparable part of material production in all areas of activity!

We must broadly develop production sharing and do all we can to implement the programs formulated within CEMA, the long-term programs we have signed with the socialist countries and other states, and we must act to achieve broad production sharing and to conclude new agreements or long-term contracts in all areas. This requires a proper organization of the production process, the

fulfillment of contracts on schedule, the achievement of planned quality, and the firm observance of our commitments under the various contracts. Let us pay greater attention to the efficiency of foreign trade and to the appropriate utilization of raw materials and our people's labor.

Firm measures are necessary to continue to perfect the remuneration system on the basis of the overall contract and piecework system in all areas. We must firmly apply the socialist remuneration system so that the incomes of working people are directly determined by the amount and quality of work done and so that no one is able to acquire an income without working. We have positive results in this respect, but we must apply these principles of remuneration, which apply to all areas in our homeland, more firmly and perfect them.

Proceeding from the need to perfect all our activities, we have to pay due attention to improving the standard of professional and technical training and to retraining all our cadres for reassignment. We can only complete the development projects, and a new quality and an improved technical level of products with people who have a high professional, technical, and scientific training. I dwell on this because it is necessary for us to be more determined about applying the programs and measures formulated for the training of manpower and cadres in each unit and all areas.

We are justified when we say that man is the decisive factor in the overall activity--and therefore we must pay greater attention to improving man's level of general knowledge and his revolutionary and socialist awareness. Only people with a high professional, technical, and scientific training, with broad knowledge in all fields, and with a high revolutionary awareness are able to implement the targets of building socialism and communism in Romania! (Loud, prolonged applause)

Let us work constantly to perfect the forms of management; let us do all we can to ensure the proper operation of the councils of working people and the general meetings, so that each collective of working people--as owners, producers, and end-users and as direct participants in the administration of a part of the national wealth--act with greater responsibility and so that the activity carried out in each unit is the result of the collective and creative thinking of the workers class, engineers, technicians, and all our working people. Only through the joint efforts of the whole collective will each unit be able to become a true revolutionary citadel of communist work and of revolutionary awareness! (Loud, prolonged applause)

Let us broadly develop workers revolutionary democracy by ensuring the participation of all people in the management of all areas and of our society--this being the basic factor and guarantee for the proper progress of all our activities. We are building socialism and communism with the people and for the people; thus, proceeding from this revolutionary concept, we must do all we can so that our people are fully aware and understand all the problems of our homeland's development and all international problems and so that they act in complete unity under the leadership of the communists to ensure our country's elevation to new heights, the victory of socialism and communism in Romania, and the strengthening of the independence and sovereignty of our homeland! (Loud applause, cheers; long chants of "Ceausescu--RCP!" and "Ceausescu and the people!")

Esteemed comrades, I do not want to refer at length to international issues. I have presented--at the recent Grand National Assembly--our party's and state's international activity and Socialist Romania's concern to do all it can to contribute to disarmament, primarily nuclear disarmament, and to achieving a lasting peace and cooperation with all states in the world, irrespective of social system.

There is a close interdependence between the domestic and international policy. In acting to implement the programs for our homeland's development, we must do all we can to ensure peace, because only thus can we have the guarantee that we will fulfill our development plans--as each people is able to achieve its aspirations for a better life only under conditions of peace and international cooperation. (Loud, prolonged applause)

Through their unanimous vote in the 23 November referendum on disarmament and peace, our people have shown that they are firmly determined to act in accordance with our party-state overall policy and actively contribute to disarmament and peace. We have been pleased to note that, through these measures, our people have shown that they are proceeding from mere statements and words to real and concrete steps. We hope that other states will do accordingly and proceed to real disarmament steps, as this is the only way to secure peace. Mere statements, no matter how beautiful they may be, no longer suffice in our times. The danger posed by nuclear weapons--as well as by conventional ones--is so high that one should immediately proceed to reducing them and later eliminating them completely.

We speak out for a Europe free of nuclear and chemical weapons; we advocate the creation of areas without such weapons in the Balkans and other parts of Europe and the world. We advocate a world of cooperation, without arms and wars, in which each nation can concentrate its efforts on ensuring its socioeconomic progress and raising its material and cultural well-being. (Loud and prolonged applause; prolonged chants: "Ceausescu-Peace!" and "Disarmament-Peace!")

In accordance with our party's overall policy and with the basic principles of socialism, our country and people will continue to work for disarmament, for cooperation with all nations, and for peace, in the belief that this serves the interests of our nation and the cause of peace throughout the world. (Loud applause and cheers; prolonged chants; "Ceausescu, Romania-Peace and Friendship!")

Dear comrades, in conclusion I would like to remind you once again that there are only a few days left to the end of the year. All units and sectors must work to expediently conclude this year and fulfill all production plans; including the production earmarked for export. Let us proceed to thoroughly preparing the 1987 plan, so as to be able to ensure the implementation of the targets of the 2nd year of the current 5-year plan from the 1st day of the new year.

I express the conviction that all members of the Working People's National Council, all working people's councils, all working people, and the entire nation will take energetic steps in full unity and will lay a lasting foundation for the entire Eighth 5-Year Plan; thus creating all the necessary conditions for implementing the targets established by the 13th Party Congress.

With this conviction, I wish all National Council members, all working people's councils, all working people, and the entire nation ever greater successes and achievements in all fields, a new year with ever better results, and much health and happiness!

(Loud and prolonged applause and cheers; prolonged chants: "Ceausescu--RCP!"; "Ceausescu and the People!"; "Ceausescu--Peace!"; and "Ceausescu--A Happy New Year!". In an atmosphere of great enthusiasm and close unity around the party, all those present stand up and cheer for minutes on end for the RCP, the leading political force of our socialist nation, and for Party Secretary General and President of the country Comrade Nicolae Ceausescu).

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CSO: 2700/93

SHARP RISE IN ALCOHOLISM SINCE 1970 DOCUMENTED

Budapest NEPSZABADSAG in Hungarian 6 Oct 86 p 4

[Interview with Janos Fekete, staff member of the National Institute for the Study of Alcohol, by Kornelia Dolecsko: "The Leading Role Belongs to Small Autotherapy and Self-Rehabilitation Groups"; date and place of interview not given; first two paragraphs are NEPSZABADSAG introduction]

[Text] The State Alcohol Abuse Committee met last week to discuss situation reports of the SZOT [National Council of Trade Unions], the Ministry of Industry and the Chief Inspectorate of Labor Safety, on the phenomena encountered at work and the progress of the programs already begun. A subcommittee was also formed to support the temperance club movement.

What could provide the greatest impetus for overcoming this social problem? This is what we discussed with Janos Fekete, a staff member of the National Institute for the Study of Alcohol and one of the state committee's experts.

[Question] Alcohol abuse is a social phenomenon of our time, a destructive habit that is not confined to Hungary alone. But it has been recognized everywhere that something must be done about alcohol abuse. This is evident, among other things, from the fact that a compilation entitled "Korunk tarsadalmi betegsege" [A Social Disease of Our Time] appeared last summer in the "Politikai vitako" [Political Debating Circle] series that is being issued for the benefit of party propagandists. What was the purpose of this publication?

[Answer] To influence by the force of facts, to mobilize and inspire action. Based on Statistical Office figures, the publication documents and analyzes the spreading of alcohol abuse, which is already jeopardizing living conditions to such an extent that average life expectancy at birth is becoming shorter and shorter with each year. The publication is not satisfied with merely contrasting the revenue that the state collects from the taxes on alcoholic beverages (the net revenue in 1984 was 26.8 billion forints, on 50 billion forints of sales) with the mounting social losses and health costs that, measured in terms of their quantifiable factors, are at least equal in magnitude. It also attempts to examine the customs that encourage drinking, the interest relations behind the failure of the attempts to intervene, and the partially assumed and partially proven cause-and-effect relationships.

[Question] What results has this pragmatic approach produced?

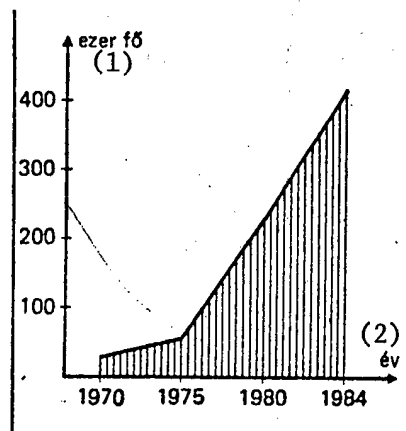
[Answer] During the past quarter century, it turns out, only the recognition of alcohol abuse as a problem, the government's acceptance of responsibility for organizing and coordinating the drive against it, and a few exploratory partial research studies and group initiatives may be termed progressive, and regarded as the basis of more realistic countermeasures. Most of our measures and employed methods have been nothing more than frantic attempts to put out brush fires, not enough even to soothe society's conscience. The spreading of the phenomena associated with alcohol abuse and their growing burden on the family, and even at work, are becoming increasingly difficult to tolerate. At the same time, however, our propaganda, therapy efforts and, by no means least, the small mutual-aid collectives of the temperance clubs have raised the population's hopes that the trouble can be curbed. It has also been demonstrated that collective self-help is the most powerful force, and that it is not possible to protect or help anyone against his will.

[Question] How does this idea tie in with the requirement of, respectively the program for, maintaining, improving or regaining one's health?

[Answer] More and more authors are associating with the individual and his way of life the risk factors that trigger the endemic diseases of modern times and are causing the premature deaths among our population of work age. It is striking that excessive consumption of alcoholic beverages plays a decisive role in many social ills, ranging from lack of exercise, malnutrition and smoking, through broken homes, to all types of social maladjustment (developmental disorders in childhood, mental disorders among adults, criminality, and suicides). For this very reason, we must consider this a general deviation. Consequently, the national program that is now being devised and drafted for submission to the government--under the slogan of active health protection--assigns an important role to the struggle against alcohol abuse.

[Question] But why should the present program be more successful than its predecessors? What could help this program avoid remaining a program only on paper, like the previous ones?

[Answer] I am convinced that the Sober Life temperance associations--these are to be formed parallel with the national program, but from below, with the encouragement of the Ministry of Health--will be suitable for this mobilizing task, once they have succeeded in surpassing the framework of health care. But let us bear the following in mind: Regardless of how horrible and huge the research-supported estimate of 500,000 alcoholics living in our midst may seem, sober and temperate people are nonetheless in a majority within society. The problem is that there is as yet nobody to represent resolutely enough this sobriety and its interests, and to actively shape public opinion. It has been pointed out also at the recent session of the State Alcohol Abuse Committee that the establishment of similar committees or health protection councils at either the government or the megye-council level provides merely a framework for society's struggle to prevent and curb alcohol abuse. Albeit important, the fact that the authorities are assuming responsibility for this pressing social problem is nothing more than a promising opportunity. Public



Development of the Estimated Number of Alcoholics in Hungary
(Based on "Alkohol," Central Statistical Office, 1985)

Key:

1. Thousand persons

2. Year

mentality and society's moral code will not change merely on request or command. In the same manner, declarations alone are unable to generate a preference for a sensible way of life, temperance or drying out, or to make them fashionable. Nor do declarations determine how well we are able to look after one another, form caring collectives or behave with ease and restraint, but without being ashamed of our feelings. Unless all this is practiced on a mass scale, however, our prevailing drinking habits that are becoming increasingly intemperate will not become tamed on their own accord.

[Question] In other words, we need a mass temperance movement?

[Answer] The listed faculties, the self-defence mechanisms of equilibrium, can be reinforced only through struggle, by fighting incessantly the stresses emanating from our environment, and our own weaknesses as well. It is no secret that not even those who are competent to take action are all saints; they too will find it just as hard as anyone else to change their views. Thus necessity supports our initiative from all sides: the modern reorganization of the mass temperance movement founded on noble traditions, and the unfolding of society's voluntary health-protection activity and control are warranted in every respect.

Therefore let there be an association to serve as a forum and spokesman for sobriety: for moderation in the consumption of alcoholic beverages as well as for total abstinence. Let there be an association or federation as varied as the PPF, one that provides room for any well-intentioned initiative for health improvement, and which anyone can join who wants to do something about alcohol abuse and fight against it.

[Question] What specifically do you mean by all this, in terms of everyday reality and possible action?

[Answer] I will attempt to formulate what this means. There could be voluntary patrols to check compliance with the regulations. The association could

represent the public interest by objecting to the council's issuing another liquor license when there are already too many licensed establishments selling alcoholic beverages in a given area. Or it could represent the interests of therapy by demanding the closure of a pub next door to a drying-out tank. The association could intercede for the immediate admission of an alcoholic to a hospital, as well as for his reinstatement in his job. It could sum up its experience as generalized proposals: for new measures, institutions or statutory regulations. It could devise new methods and submit them to debate. It could define the meaning of much-voiced "moderation" and set an example in practicing it. If the movement outlined here becomes widespread, I am convinced that also the prospects of readjustment will be much better for the small autotherapy and self-rehabilitation groups within the increasingly active temperance clubs.

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END